

July 1971

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# FINANCIAL TIMES

No. 25,591

Friday October 29 1971

\*\* 6p

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Real Estate Consultancy Worldwide

## News Summary

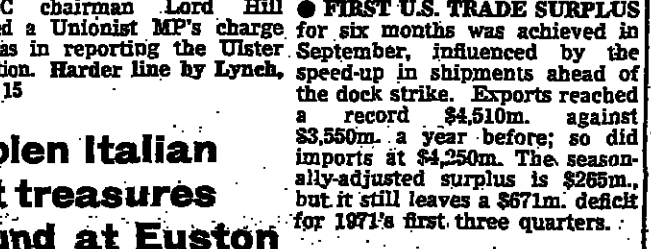
### U.K., Irish troops incident

The last night called on the British and Irish troops to end their "futile and dangerous" border-sealing operations after British and Irish troops faced each other in a border dispute at Mullagh, Co. Monaghan.

### U.S. has trade surplus

THE U.S. in September had its first trade surplus for six months. The index touched 499.5 but ended at 410.6 or a net 2.2 down. Higher margins reflected activity in second-line shares.

### STERLING



### France cuts discount rate

A 1 PER CENT CUT has been made by the French central bank in its discount to 6 1/2 per cent. The rate for secured loans is also by 1, to 8 per cent.

### Japan cuts discount rate

PLANS TO CURB JAPANESE exports have been disclosed by Japanese industrialists to the Confederation of British Industry. They include: Voluntary control by industry of exports of commodities and destinations; a GATT safeguard provision; and fiscal measures to boost Japan's economy.

### Private house starts

PRIVATE HOUSE STARTS in Britain in September reached the second highest monthly total ever at 20,900 against 16,800 in August and 16,000 in September.

### Dunlop profit up

DUNLOP HOLDINGS expects attributable profit for the year to rise to £10.8m. (£8.7m.). For the first half—initial period of the year—attributable profit is £5.4m. (£3.6m.).

### Price changes

Hoover	535	+ 17
Katzen	108	+ 7
Lancaster	309	+ 11
Laporte Inds	106	+ 5
Nykon Group	226	+ 18
Page-Johnson "A"	155	+ 17
Pexler - Hattersley	347	+ 11
Pressage	1391	+ 7
Teachen Dilliers	255	+ 7
Thomson Org.	84	+ 7
Whitcroft Inds.	116	+ 7
Trinidad Canadian	162	+ 5
Guthrie Corp.	248	+ 6
Longshore	190	+ 4
Boyleville (p/pd.)	66	+ 4
East Drie	140	+ 10

## Commons votes 112 majority for the Market

# Heath gets clear victory on the principle of entry

BY JOHN BOURNE, LOBBY EDITOR

BY 112 votes—a far greater majority than anyone had expected until the last tense few days—the House of Commons has taken the first, decisive step towards joining Britain to Europe.

When the decision to accept the Government's entry terms was announced by the Speaker last night, Tories and Labour Market-makers—some standing 15 deep at the bar of the packed House—shouted and the chamber echoed with cheers.

The vote was 356 to 244—a majority of 112, which is four times the Government's normal majority. The decisive factor was, as expected, the votes of the rebel Labour pro-Market-makers—68 of whom voted with the Government while another 18 abstained.

Mr. Harold Wilson looked rueful as the result was announced. The size of the Labour rebellion emphasises the split in his Party, but it will help to protect the pro-Market-makers from some of their Party colleagues. There is safety in numbers.

Leading the Labour Market-makers was Mr. Roy Jenkins and four other members of the "shadow" Cabinet, plus about 13 of the front bench spokesmen appointed by Mr. Wilson.

The result of the vote is a setback for the Opposition's anti-Market policy, and has dispirited the Left-wing, as well as the 39 anti-Market Tories who voted against entry and the two Tory abstainers.

For the Prime Minister and his cabinet—especially Mr. William Whitelaw, the Leader of the House, who pounded his knees with delight last night on the front bench—the vote was an undoubted triumph. However, the real significance of it is fourfold.

As Mr. Heath told the House just before the division: "Many people have been long delayed. There has been great uncertainty. To-night that can be removed." Also, the Government can now argue in the face of a still hostile public opinion that the vote of the Commons is equivalent to "the lining the circumstances in which a future Labour Government might leave the EEC."

The only consolation for the Government and for his own pro-Market-makers was that he did not suggest or imply that a Labour Government would actually take the initiative in "pulling out." But what he did say delighted his Left-wingers and other fervent anti-Market-makers.

Challenged by Mr. Duncan Sandys to state the position of a future Labour Government on the Common Market, the Labour leader said: "It is a fact that one Parliament cannot bind its successor. On the other hand, we recognise what is involved in a Treaty signature."

"We would immediately give notice we could not accept the terms negotiated by the Conservatives, and in particular the unacceptable burdens arising out of the Common Agricultural Policy, the blows to the Commonwealth and any threats to our essential regional policies."

"If the Community then refused to negotiate or if negotiations were to fail, we would sit down amicably and discuss the situation with them. We should make it clear from that moment that our posture, like that of the French after 1958, would be rigidly directed towards the pursuit of British interests, and all other decisions and actions in relation to the Community would be dictated by that determination until we had secured our terms."

Then came the final sentence, which immediately had Labour anti-Market-makers cheering. "The Community," said Mr. Wilson, "could accept or decide that we should agree to part. That would depend on them."

Mr. Reginald Maudling, the first Government speaker yesterday, commented that Mr. Wilson had in this statement gone "rather further than on reflection, he would wish he had done."

Mr. Wilson rallied his anti-Market-makers again by saying that the fight against the Government's entry terms would continue. "To-day is not an end, it is a beginning," he said. He was clearly referring to the Opposition's coming attack on the Government's consequential legislation.

The Government is now confident that, in spite of the inevitable difficulties it will face, it will be able to carry the long and comprehensive legislation next year on a Tory vote. Then the Tory whip will be facing an entirely different problem.

Last night, their task was to ensure the biggest possible majority for the principle of British entry into the EEC. But when the Bills are debated—starting in January or February—a majority of one would be enough at any stage, although clearly they hope for more. Also, if the Government is defeated on a key clause of its legislation, it can always re-introduce the clause at the Bill's report stage, and then have a second vote.

Admittedly, the Government can no longer, after last night's count on the mass support of Labour pro-Market-makers, although there is little doubt that, if the legislation got into difficulties, some Labour MPs would be ready to rescue the Government by absenting themselves from the Commons. Also, it is known that a handful of Right-wing Labour Members would if necessary even vote with the Government on key divisions.



Mr. Heath leaving Downing Street.

In a statement, the Prime Minister said: "Parliament has now decided that Britain should, in principle, join the European Economic Communities on the basis of the arrangements which have been negotiated."

"To-day's decision has been reached by a clear majority of the elected representatives of the people—men and women who, irrespective of party political differences, share the conviction that this decision is best for their country."

"This is the outcome of years of patient negotiations Governments of both parties. It marks the end of 10 years of debate."

"Now we stand ready to take our first step into a new world, full of opportunities. Our historic decision had been made; the British people accept the challenge. Let us show ourselves to that new world as we would wish it to see us—confident, proud and strong."

## Court Line buys 2 TriStars

BY MICHAEL DONNE, AIR CORRESPONDENT

COURT LINE Aviation, one of Britain's biggest holiday charter airlines, has placed an initial order worth £15m. for two U.S. Lockheed TriStar airliners with Rolls-Royce RB-211 engines, and has taken an option on three more aircraft.

If these are converted into firm orders also, Court Line Aviation will thus be spending around £50m. on TriStars over the next five years.

Announcing the deal yesterday—the first new order for TriStars since the Lockheed/Rolls-Royce financial troubles earlier this year—Court Line Aviation (which is part of the Court Line group) said the order had been placed in association with Clarksons Holidays, a U.K. inclusive tour holiday organisers.

400-seater

Court Line has just signed a new 5-year charter agreement with Clarksons which assures a high utilisation of the TriStars. The first two TriStars are due for delivery in time for the 1973 holiday season, while the aircraft on option could be delivered in 1974, 1975 and 1976.

The statement said that Clarksons Holidays is going to have tremendous passenger appeal, and will be the biggest single step forward in inclusive tourism since the change-over from obsolescent propeller aircraft to modern jets. It will be a winner. Main operating base for the TriStars will be Luton.

Film shows

Clarksons says it is looking at the possibility of giving passengers in-flight films and music. The aircraft will be equipped for this.

Court Line's present fleet consists of 12 BAC One-Eleven Series 500 airliners. When the TriStar is added to the fleet in 1973 the airline expects to carry nearly 2m. passengers with a turnover of almost £15m. Four years ago, following the introduction of jets, the airline carried 300,000 passengers and the turnover was just £3m. Last year, aviation contributed more than £550,000 to the Court Line group's profits of over £2m.

The Court Line decision brings firm orders for the Lockheed TriStar to 106 aircraft, with another 48 on option, a total of 154 aircraft.

The Court Line aircraft on order and on option will help further to reduce the outstanding total of 39 aircraft of the airline's fleet held by Air Holdings of the U.K., for sale outside the U.S. If outstanding options for aircraft for Air Canada (nine) and Air Jamaica (one) are also taken into account, the figure of 39 aircraft is reduced to 24.

Lockheed itself is making a big play to win further orders in the European inclusive tour holiday market. Mr. Dan Houghton, chairman of Lockheed, said: "Our company predicts a yearly growth in the inclusive tour market to 1975 of about 15 per cent."

"By 1980, our market surveys show that inclusive tour carriers could account for more than 50 per cent. of all European air traffic. We predict a potential market for 50 TriStar type aircraft among tour carriers by 1980."

The TriStar will give Court Line a greater range than ever before—about 3,700 miles instead of the present 1,100 miles. This brings every major holiday centre in Europe, North Africa and the Eastern Mediterranean within non-stop reach and increases the airline's ability to boost winter utilisation of its aircraft.

According to Mr. Ed Posey, managing director of Court Line Aviation: "With one refuelling stop in the Azores, even the Caribbean will now be within our capability." The Court Line group already has two routes on the island of St. Lucia. Finally back in business Page 8 Aerospace Page 8

## New Allied offer to THF for talks

BY SANDY McLACHLAN

THE Allied Breweries' letter which arrived at the THF headquarters yesterday morning was an elaboration of the initial Allied request for friendly merger talks. The indications last night were that it would not shift THF from the hard line that any talks should take place after an offer has been put on the table.

Lord Crowther, the THF chairman, has not yet seen the Allied letter since he was busy on Royal Commission work yesterday and did not go to his THF office. But it is expected that he will reply to Allied today.

The Allied letter differs from the initial approach in two respects. In the first place it offers an exchange of information between the two groups, and secondly it suggests that Allied has now appointed financial advisers the exchange should take place at a meeting of the financial advisers to the two sides. These are Rothschilds for Allied, and Warburgs and Schroders for THF.

The terms of the letter were indicated in an Allied statement last night and it is clear that its main purpose is to show to THF and others that the Allied approach is serious. This is the reason for Allied's offer to make available to THF's advisers relevant financial information concerning Allied.

It is clear that by being seen to be reasonable, Allied and its advisers hope they can bring pressure to bear on the THF Board to moderate its attitude. But if as expected Allied is again told that THF will only enter into discussions when there is an offer to discuss, then it is little further forward than it was when the initial approach was made almost two weeks ago.

This disclosure of the contents of the letter by Allied can be seen also as an attempt to quell speculation that Allied is losing interest in the idea of a merger. But there is no doubt that Allied will consider its position very carefully in the face of continued opposition from the THF Board, which although still internally divided between the Trust Houses and Forte factions, is maintaining an outwardly united front on the prospective bid.

If the THF Board remains firm then Allied would face an uphill struggle in a contested bid, with Sir Charles Forte's 20 per cent. of the equity ranged against the offer, and the question mark over the position of the voting control of THF held by the Council of Trustees. It also has the problem that it would be offering substantial sums of money—albeit in paper—while still operating in the dark as far as the current THF financial situation is concerned.

Shares in the two companies were quiet yesterday. THF closed unchanged at 183p, having been firmer in early trading. Allied closed 1 1/2p down at 117 1/2p.

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Was there something?

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INA needle bearings are manufactured in Great Britain, West Germany, France, Italy, Brazil and the U.S.A.

### FLOATING £

	£	Oct. 28	since Aug. 13	% change on par value
U.S. \$	2.491		+3.1	+1.9
Can. \$	1.491		+2.0	+1.7
Dutch fl.	8.351		-0.2	-2.9
Belg. fr.	116.271		-3.1	-3.1
D-Mark	9.371		-1.4	-5.3
It. lire	1,5271		+1.7	+1.3
French fr.	13.781		+3.4	+3.4
Sfr. yen	361		-2.0	-5.0
Swiss fr.	9.941		-1.2	-1.5

Reuter revelation index of the ten key non-dollar currencies against the U.S. \$ is 7.4 per cent.

1 Convertible, 2 Commercial.

	Oct. 28	Previous
New York close		
New York (Spec.)	82.487-490	82.492-495
Do. (1 month)	100.05	100.05
Do. (3 months)	100.05	100.05
Do. (6 months)	100.05	100.05
Do. (12 months)	100.05	100.05

### U.K. DAILY STOCK INDICES

	Oct. 28	Oct. 27	% chg.
FINANCIAL TIMES	78.94	78.92	0.02
Gov. Sec.	78.94	78.92	0.02
Fixed Interest	78.94	78.92	0.02
Industrial Grd.	40.4	40.3	0.1
Gold Mines	3.4	3.4	0.0
Ord. Div. Yield	3.2	3.2	0.0
P/E Ratio	14.7	14.7	0.0
Dealings Market	22.20	22.20	0.00
For Latest Share Index please see page 10			

### ACTUARIES

	Oct. 28	Oct. 27	% chg.
Industrial Group	146.45	146.13	0.22
20 Share	146.45	146.13	0.22
Div. Yield	3.4	3.4	0.0
P/E Ratio	14.7	14.7	0.0
Consolidated	146.45	146.13	0.22
Consolidated	146.45	146.13	0.22

### ANNUAL STATEMENTS

	Oct. 28	Oct. 27	% chg.
Assam Consolidated Tea Estates	11	11	0.0
F. Ansell (Leeds)	35	35	0.0
British Land Company	35	35	0.0
Burdett Investments	35	35	0.0
CCL Systems	35	35	0.0
Falkland Dock and Railway	35	35	0.0
Kings Kellie Rubber	35	35	0.0
MFI Warehouses	35	35	0.0
Photo-Me International	35	35	0.0
Rena Consolidated Mines	35	35	0.0
Second Broadmont Trust	35	35	0.0
Shearson Hamill	35	35	0.0
Western Credit Holdings	35	35	0.0

### INTERIM STATEMENTS

	Oct. 28	Oct. 27	% chg.
John Hargrave	34	34	0.0
Hill Samuel Group	34	34	0.0
Hill Samuel Textiles	34	34	0.0
Monsanto Textiles	34	34	0.0

### PRICE CHANGES

New Broken Hill	515	+ 20
Powellson	760	+ 50
West Wit.	500	+ 15
FALLS		
British & Comm'n	205	- 7
Clive Holdings	635	- 10
Glaxo	92	- 9
Fleming	116	- 5
Sheepbridge Eng.	81	- 5
Sterling Guar. Trst.	342	- 7
Summers (O. C.)	68	- 10
Burnell Oil	302	- 6
Anglo-Vul	500	- 20
Roan Cons. Mines	188	- 6
Tara Exploration	515	- 45











# Farming and Raw Materials

## Peru copper mine strike after all

By John Edwards  
WORKERS at the Cerro de Pasco mines in Peru have gone on strike after all, despite a previous statement that the threat to stop work had been called off. Some 5,000 of the 16,000 workers at the copper, lead, zinc and silver mines began a strike on Tuesday, reports Reuter from Lima, and the remaining workers have threatened to join them.

Earlier the unions had called off a threat to strike when the Peruvian President Juan Velasco, promised to mediate in the dispute. Cerro wants the claim to be deferred to December because of heavy losses suffered earlier this year, and in 1970 following a series of labour disputes.

## Zinc higher

In the London Metal Exchange zinc market, values jumped again, with cash gaining £2.5 to £140.575 a metric ton—close to the high of the year—£141.50 reached last Friday. It is thought that the profit-taking this week has left the market in a technically healthier state. So the emergence of some buying interest, not believed to be on behalf of producers, brought a sharp increase in prices. A noticeable feature is that the cash price is at a premium of £2 over the forward quotation indicating a supply squeeze.

Lead prices remained firm, despite no news of any moves to introduce a producer price, believed to have been discussed at a meeting in London last week. Generally thought that the proposal for a lead producer price is a "non-starter". Many producers, although in favour of a fixed producer quotation, consider it to be unworkable in view of the large supplies of scrap lead available.

A wave of selling by speculators in New York on Wednesday night brought silver prices back down with a bang yesterday in London. The bullion fixing for spot silver was lowered by 1.3p to 51.9p a troy ounce—the 41 year low point reached last week.

# Steadier tone in rubber market

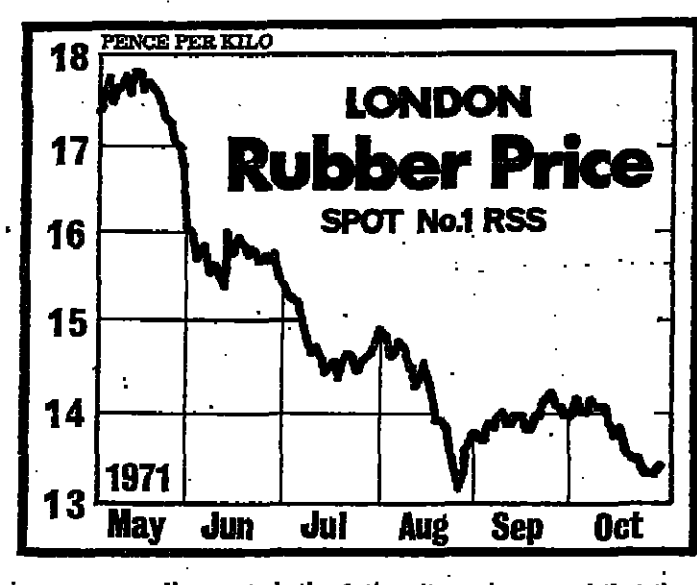
By Robin Reeves, Commodities Editor

A SLIGHTLY steadier tone has come to the rubber market this week following the announcement in Kuala Lumpur that the Malaysian Government intends to continue giving buying support to rubber prices.

Last night the price of No. 1 RSS grade closed at 13.4p a kilo, 0.1p up on the day though still not far from the year's low of 13.15p a kilo.

The Malaysian Government's announcement by the acting Minister of Commerce and Industry, said that while very conscious of the difficulties of supporting the price, the Government would nevertheless continue buying rubber from the market.

He listed the difficulties as the slower than hoped for recovery in the U.S. economy, and the continuing uncertainty regard-



ing currency alignments both of which had tended to slow down economic activity.

The Minister might also have added the U.S. East Coast docks strike which is now almost a month old, was another factor depressing demand.

More immediately there is uncertainty in the trade over the future rubber freight rate. The rate is destined to go up in the New Year, but as yet it is not known by how much.

All in all therefore it is not surprising that the rubber market is depressed. But at the same time it can be argued that these are all difficulties which are more likely to get better than worse. President Nixon is trying to set the U.S. economy on an expansionist road, and the docks strike must be settled sooner or later.

The currency situation, unlike the other difficulties, is not going to be solved overnight, but in the meantime the market has had the Malaysian Government's assurance of continued support. Thus while prices may not go up, they are likely to be prevented from falling significantly further.

# Apple freight rate rise agreed

By James McDonald, Shipping Correspondent

"Naturally, no increase is welcome but the fact that we were able to negotiate a rate that is at least NZ 52 cents per carton below that which the Board would have had to pay had it remained with the British conference lines is most satisfactory."

Mr. Sinclair added: "When we decided to withdraw from the British conference lines last year one of the major considerations was the need to contain costs, particularly in our trade with this part of the world. After a most successful operational year with Leighton and Maritime Fruit Carriers, we look upon the change with a great deal of satisfaction."

Referring to the freight negotiations, Mr. Sinclair pointed out that the Board had to equate its own major objective—the need to contain costs—with that of the shipping companies' argument concerning spiralling operating costs and a requirement for a fair return on a high capital investment.

"The Board recognises that a reasonable freight rate is necessary to enable the lines to maintain and develop a high standard of service which provides us with fast, modern, refrigerated ships."

Our Commodities Staff writes: It is believed that an increase of 24 per cent in shipping freight rates for apples and pears from Australia next season is being proposed by the Australia to Europe Conference line at talks to be held next week. However, a complication has been introduced by a reported offer made by an unknown company, through W. Kopke, of New York, one of America's biggest fruit handlers, to handle over 1.2m. cases of fruit from Australia at cut-rate prices.

This offer will undoubtedly be used by Australian growers as a bargaining counter against the proposal by the Conference line, which if agreed in full could be "disastrous" for the Australian fruit trade, it is claimed. The Australian growers' position has also been strengthened by the decision of Tasmanian apple exporters to get together next season to rationalise all their shipments through one exporter.

combine harvester to-day would have bought a fairly good 100 acre farm 20 years ago.

Mr. Plumb stressed that what farmers wanted above all was value for money—and service. For this reason the NFU supports the idea of "bunker stocking"—the setting up by makers or specially-appointed distributors of comprehensive regional stocks within a reasonable distance of most dealers and users.

Meanwhile in Kent, Mr. George Cartell, Director-General of the NFU, told the Marden Fruit Society yesterday that the decision on Britain's EEC entry would affect the fruit industry more than any other sector.

# N.Z. Board to fix lamb prices

By Our Own Correspondent

WELLINGTON, Oct. 28

New Zealand Meat Board today reached a compromise agreement over the sale and marketing of New Zealand lamb. When the price for lamb offered to farmers crashed last week the Board set \$NZ4.50 as the minimum price which should be paid, but the buying companies defied the Board's wishes with offers ranging from only \$NZ3.75 to \$NZ4.20. As a result urgent legislation was rushed through Parliament to enable the Board to buy up lamb supplies and market them after lengthy discussions with the companies the Board announced that it will put out its own buying schedule every week. This will give the price at which the Board believes lamb should be bought from farmers. The schedule price will be based on forecasts of British wholesale prices. The meat companies will have the option of buying lambs from New Zealand farmers at the Board's price. Lambs not purchased by the Board and marketed by it in Britain through the companies' existing distribution facilities.

The Board believes that prices previously quoted by meat companies are lower than the British market price justifies.

Then there is the young man in his thirties, bored with his job and a long way from home, and his pension. His capital resources are limited to expectations from an elderly aunt and the equity of his mortgage. He sees from his reading of the farming papers that a small farm in the West of England costs no more than his own, and he has a residence in the suburbs. He is sick of what he calls the rat race and his wife is always murmuring that she wished they lived in the country. He would like to be his own boss.

So would the third applicant the school leaver who has badgered his parents into letting him go into farming. He goes as a farm apprentice or as a pupil at a negligible wage and then to an agricultural college with no real prospects of ever being a farmer. According to the latest information only 10 per cent of agricultural students have any

prospect of farming on their own unless they are from farming families.

Capital is all important. Farms have to be bought and they are dear. A 100 acre dairy farm on reasonable land able to carry 80 cows would cost about £30,000. The cows themselves another £12,000 which with machinery etc. would bring the figure up to nearly £50,000. Expenditure of this sort would provide the farmer with a guaranteed job, milking night and morning every day of the year for with 80 cows it's doubtful if the farmer could stand the cost of a full-time job. It's not a rat race like a job in the Civil Service or a bank but without holidays or a pension and probably a lower cash income. The land cost is high but if you buy cheaper land you will need more of it.

Pigs and poultry need little land and have provided a reasonable way into the industry in the past. But both these lines have been suffering from the rat race instinct of farmers themselves who leap on doubling their flocks and herds. Around 5,000 flocks and herds of 50 sows used to be the basis for a reasonable living. To-day we are told that ten times these numbers are becoming essential for success. They are both cyclical industries and at the moment are a very poor trade. Mixed farmers can take these periodic slumps in their stride, specialists can have great difficulty.

Arable farming that is grain growing requires a lot of land which in the better areas of the South and East of Britain would cost at least £250 an acre. Three hundred acres would be the minimum area for a farmer with one employed man and would cost £100,000. The returns are not high. Total annual gross income would be unlikely to be more than £50 an acre which doesn't leave much in the way of margins after costs for interest on borrowed money and the farmers living expenses and profit.

Grazing beef cattle and sheep on grass looks easy from the

# STARTING IN FARMING The sensible advice is don't

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I AM CONTINUALLY receiving requests for advice about going into farming. Some of these include extremely detailed questionnaires, and as I'm not a professional consultant it might save a lot of trouble if I dealt with the prospects generally once and for all.

The candidates fall into three distinct classes. Tycoons that are men who have made a great success in other business and for some reason wish to indulge in farming during their declining years. They present no problem as long as they have sufficient capital £200,000 plus to secure a farm which is large enough to support skilled management needed to produce a positive return rather than a negative return on their capital. Being tycoons I expect they can read balance sheets and look after their money. If they cannot they deserve to lose their resources to those members of the existing farming community fortunate enough to be able to relieve them of it; all perfectly legally of course.

Then there is the young man in his thirties, bored with his job and a long way from home, and his pension. His capital resources are limited to expectations from an elderly aunt and the equity of his mortgage. He sees from his reading of the farming papers that a small farm in the West of England costs no more than his own, and he has a residence in the suburbs. He is sick of what he calls the rat race and his wife is always murmuring that she wished they lived in the country. He would like to be his own boss.

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By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I AM CONTINUALLY receiving requests for advice about going into farming. Some of these include extremely detailed questionnaires, and as I'm not a professional consultant it might save a lot of trouble if I dealt with the prospects generally once and for all.

The candidates fall into three distinct classes. Tycoons that are men who have made a great success in other business and for some reason wish to indulge in farming during their declining years. They present no problem as long as they have sufficient capital £200,000 plus to secure a farm which is large enough to support skilled management needed to produce a positive return rather than a negative return on their capital. Being tycoons I expect they can read balance sheets and look after their money. If they cannot they deserve to lose their resources to those members of the existing farming community fortunate enough to be able to relieve them of it; all perfectly legally of course.

Then there is the young man in his thirties, bored with his job and a long way from home, and his pension. His capital resources are limited to expectations from an elderly aunt and the equity of his mortgage. He sees from his reading of the farming papers that a small farm in the West of England costs no more than his own, and he has a residence in the suburbs. He is sick of what he calls the rat race and his wife is always murmuring that she wished they lived in the country. He would like to be his own boss.

So would the third applicant the school leaver who has badgered his parents into letting him go into farming. He goes as a farm apprentice or as a pupil at a negligible wage and then to an agricultural college with no real prospects of ever being a farmer. According to the latest information only 10 per cent of agricultural students have any

prospect of farming on their own unless they are from farming families.

Capital is all important. Farms have to be bought and they are dear. A 100 acre dairy farm on reasonable land able to carry 80 cows would cost about £30,000. The cows themselves another £12,000 which with machinery etc. would bring the figure up to nearly £50,000. Expenditure of this sort would provide the farmer with a guaranteed job, milking night and morning every day of the year for with 80 cows it's doubtful if the farmer could stand the cost of a full-time job. It's not a rat race like a job in the Civil Service or a bank but without holidays or a pension and probably a lower cash income. The land cost is high but if you buy cheaper land you will need more of it.

Pigs and poultry need little land and have provided a reasonable way into the industry in the past. But both these lines have been suffering from the rat race instinct of farmers themselves who leap on doubling their flocks and herds. Around 5,000 flocks and herds of 50 sows used to be the basis for a reasonable living. To-day we are told that ten times these numbers are becoming essential for success. They are both cyclical industries and at the moment are a very poor trade. Mixed farmers can take these periodic slumps in their stride, specialists can have great difficulty.

Arable farming that is grain growing requires a lot of land which in the better areas of the South and East of Britain would cost at least £250 an acre. Three hundred acres would be the minimum area for a farmer with one employed man and would cost £100,000. The returns are not high. Total annual gross income would be unlikely to be more than £50 an acre which doesn't leave much in the way of margins after costs for interest on borrowed money and the farmers living expenses and profit.

Grazing beef cattle and sheep on grass looks easy from the

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Recovered on the London Metal Exchange. Initial ease in pre-market trading prompted some Continental interest and in the Ring industrial buying of cash metal took prices higher. There were also rumours of some buying on behalf of the Chinese. The report that the strike at Cerro de Pasco in Peru had started, after all, had little market impact. Turnover 10,275 metric tons.

ILMENITE—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

LEAD—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

SILVER—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

ZINC—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

ALUMINUM—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

IRON—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

STEEL—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

COAL—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

WHEAT—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

BARLEY—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

RYE—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

OATS—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

MAIZE—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

SUGAR—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

COFFEE—Gained further ground. Added by the fact that the price in London and New York was higher than in the Ring. Turnover 1,275 metric tons.

# PRICE CHANGES

## NEW FLOUR OIL

Unchanged. Reports of a new oil discovery in the North Sea.

MEAT/VEGETABLES—Unchanged. Reports of a new meat discovery in the North Sea.

SUGAR—Unchanged. Reports of a new sugar discovery in the North Sea.

COFFEE—Unchanged. Reports of a new coffee discovery in the North Sea.

TEA—Unchanged. Reports of a new tea discovery in the North Sea.

SPICES—Unchanged. Reports of a new spice discovery in the North Sea.

FRUITS—Unchanged. Reports of a new fruit discovery in the North Sea.

VEGETABLES—Unchanged. Reports of a new vegetable discovery in the North Sea.

GRAINS—Unchanged. Reports of a new grain discovery in the North Sea.

LEGUMES—Unchanged. Reports of a new legume discovery in the North Sea.

SEEDS—Unchanged. Reports of a new seed discovery in the North Sea.

ROOTS—Unchanged. Reports of a new root discovery in the North Sea.

STARCHES—Unchanged. Reports of a new starch discovery in the North Sea.

GLUCOSE—Unchanged. Reports of a new glucose discovery in the North Sea.

SUGAR ALCOHOLS—Unchanged. Reports of a new sugar alcohol discovery in the North Sea.

OTHERS—Unchanged. Reports of a new other discovery in the North Sea.

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## American News

## Spain to resume trade with Cuba

By Our Own Correspondent

MADRID, Oct. 28. SPAIN will resume exports to Cuba of transport equipment, machinery and other products against the almost immediate renewal of Cuban shipments of tobacco, sugar and coffee. This was learnt here after the return from Cuba of a Spanish mission headed by the director-general of the Spanish Foreign Ministry's Economic Relations Bureau, Señor Robles Pliguer.

A Spanish Commerce Ministry spokesman refused to confirm a new agreement, but added that relations between the two countries have improved substantially in recent days and that a Cuban mission may come to Madrid before the end of this year to negotiate a new long-term trade agreement.

Trade between the two countries was practically broken off four months ago when a Cuban mission left Madrid suddenly because, reportedly, the Spaniards had asked for an early settlement of Cuba's \$21.23m. trade debt with Spain, a \$300m. indemnification of Spanish property confiscated by the Cuban government and the release of Spaniards still languishing in Cuban concentration camps. The Cubans, soon after, stopped all shipments of tobacco to the Canary Islands, whose Spanish cigar manufacturers depend in large part upon them.

The semi-official announcement of the new provisional trade agreement coincides with the arrival here of 10 Spaniards repatriated from Cuba, the return to Madrid of several Cuban diplomatic representatives and the reappearance in Canary Islands ports of Cuban fishing vessels. These Spanish-built vessels had left the Canary Islands a few months ago, reportedly because their captains feared that the vessels would be confiscated by the Spaniards, to cover part of the debts still owed by Cuba.

## McNamara's population estimates

By Our Own Correspondent

UNITED NATIONS, Oct. 28. MR. ROBERT McNAMARA, President of the World Bank, said today that world population must be expected to increase to 4,000m. from the present estimated 2,600m. before its growth rate was turned around to acceptable levels. He told the U.N. Economic and Social Council there was urgent need for reshaped development programmes to meet the fact that population would continue to rise for some time yet.

UN efforts to assist family planning had been too modest and too fragmented to have made a major impact, Mr. McNamara said, but patterns of more effective action were beginning to emerge, and the Bank would lend its best efforts in that direction.

The World Bank President said widespread malnutrition and unemployment demanded attention with insistent urgency, and called for shifts in public policy away from investment biased in favour of urban areas, and away from excessive export taxes and price measures that restricted farm earnings, in order to produce 90m. new jobs needed in the agricultural sector between now and 1985.

## TITO: A WARM U.S. WELCOME

By Our Own Correspondent

WASHINGTON, Oct. 28. President Nixon today welcomed Yugoslavia's President Tito to the White House for talks on international problems, hailing his guest as "a world statesman of the first rank."

The 78-year-old leader of the independent-minded Communist country, was greeted by a fanfare of trumpets and a 21-gun salute as part of a lavish welcoming ceremony laid on by the U.S. Government.

## Brazil in no hurry to restore rights

By Hugh O'Shaughnessy

HERE SHOULD be no undue hurry to restore full political rights and the right of habeas corpus, said Deputy Baptista Lima, president of Arena, the government party in an interview here. He added, however, that he had confidence in President Emílio Garrastazú Médici's promise of some normalisation of political activity in the country before the end of his residential term in 1973.

Since the passing of the Fifth Institutional Act in December 1968, political and human rights in Brazil have been severely restricted and kept strictly subordinate to considerations of national security.

The Arena President said that he was fighting against subversion, the anchoring of the Government's economic plans and the international situation made him anxious about pressing too hard for a complete abolition of the institutional acts. He was reasonably confident, however, that President Médici would

## London Merchants Securities in NY planning dispute

By Nicholas Colchester

NEW YORK, Oct. 28.

LONDON Merchants Securities, the British investment company headed by Sir Max Rayne, has found its New York real estate plans embroiled in the political wrangles over housing and property development in this city. The Rent and Housing Maintenance Commission yesterday refused to allow the company to evict tenants from a mid-town apartment building in order to erect an office building on the site.

The decision appeared to break new ground in the interpretation of the New York real estate regulations. The Commission, Mr. Benjamin Altman, said that he was refusing LMS permission because the company had offered no proof that a substantial number of tenants would move into the office block when it was completed.

To tear down an apartment block a developer has to give evidence in good faith that the following year "an obvious political issue" will be a popular issue. Mr. Altman said that his decision was not only right but legal, maintaining that with the current ratio of office to residential space in New York, a developer could not claim the right to be "economically perverse," and build an office block only to keep it vacant.

LONDON Merchants Securities' best known development in New York is the General Motors building on Fifth Avenue.

monument to himself would be unconscionable.

The building in question is a block of flats at 101 West 55th Street, a blue chip area of New York. The London company wants to put up a 35-floor office block on the site. Its plans have come at a time when the protection of tenants against landlords is a hot political issue with State Senators willing to champion the cause of apartment dwellers in just this type of situation.

The lawyer for the company appeared at yesterday's Press conference and became involved in an exchange with the Commission claiming that he was acting beyond his legal powers to push through "an obvious political issue" on behalf of a popular issue. Mr. Altman said that his decision was not only right but legal, maintaining that with the current ratio of office to residential space in New York, a developer could not claim the right to be "economically perverse," and build an office block only to keep it vacant.

## Cuba attends Group of 77 meeting in Lima

By Jo Beresford

LIMA, Oct. 28.

FOR THE first time Cuba is attending the meeting of the Group of 77 to be formally opened here today by the Peruvian President, General Juan Velasco Alvarado.

As a result of diplomatic initiatives in the past few months by Peru, Cuba becomes the 95th country to join the economic bloc of developing countries from America, Asia and Africa. The meeting, the second of its kind, is being held to establish a common front of the developing countries to bargain with the developed countries at next April's UNCTAD meeting in Santiago, Chile.

The first meeting of the Group of 77, held in Algeria in 1968, established broad lines of agreement between the participating countries but failed to spell out any specific details. The present meeting, however, opens against the backdrop of President Nixon's recent economic measures and the subsequent meeting of the Group of Ten. Discussion at the conference, which continues until November 6, is expected to centre on this topic.

Already the countries of each continent have held a series of meetings to try to simplify discussion. The Latin Americans, in fact, yesterday concluded the 12th meeting of the Special Commission for Latin American Co-ordination (CECLA) by signing the Agreement of Lima. The nine-point agreement which establishes lines for discussion includes the effect of the developed world's balance of payments problem on the developing world.

The Cuban delegation headed

by the Foreign Minister Raul Roa arrived yesterday from Havana and was met on arrival by the Peruvian Foreign Minister, General Edgardo Mercado Jarrín.

If the 55 delegations at the meeting are headed by Ministers, only Mexico of the principal Latin American countries has not sent a Minister as head of delegation. Among observers in attendance is the President of the UN General Assembly, Adam Malik.

## El Salvador Minister for Peking

MEXICO CITY, Oct. 28.

EL SALVADOR Foreign Minister Walter Benítez has unexpectedly set off for China just two days after his government opposed the Albanian-sponsored resolution on China in the UN General Assembly.

The Salvadoran decision to seek commercial and possibly diplomatic relations with Peking reflects a new determination by Mexico and Central America to reduce their economic and political dependence on the U.S.

Earlier this week, a Mexican trade delegation ended a 20-day trip to China, attending the Canton Trade Fair and seeking new markets for Mexican exports.

In recent months, a Guatemalan trade delegation has also toured Eastern Europe, while Costa Rica has concluded a trade agreement with Russia.

The Cuban delegation headed

## Montreal paper closes

MONTREAL, Oct. 28.

THE Montreal newspaper, La Presse, Canada's largest circulation French-language daily, suspended publication indefinitely today after a three-month dispute with employees over wages and redundancy pay.

Some 350 stenographers, printing press workers, photo-engravers and mailroom staff have been involved in a lockout by La Presse since July 19. The men declared a strike yesterday and asked 600 other workers not to cross their picket lines.

M. Pierre Danereau, president and editor of La Presse, said in a statement the newspaper was faced with "a wave of violence" and had no choice but to close.

He listed nine reasons for the shut-down including damage to

delivery trucks and to the homes of management personnel, interference with delivery, bomb scares at the newspaper's offices and threats and personal assault on La Presse employees.

La Presse had a daily circulation of about 225,000.

The suspension comes during the same week as the final publication of the Toronto Telegram, another major Canadian daily newspaper, which will close down on Saturday because of recurring financial losses. And in Quebec City the Quebec Chronicle-Telegraph, the city's only English language daily, suspended publication yesterday after typographers walked out in back wage demands in a contract dispute.

Reuter

## Governor of Bahamas to go

By Our Own Correspondent

NASSAU, Oct. 28. Lord Thurlow is to retire in March, 1972, and will be replaced by Sir John Warburton Paul presently Governor of British Honduras.

Lord Thurlow, who was expected to be the Bahamas' last Governor before independence, will have reached the retirement age of 80 to March. As Francis Cumming-Bruce he served in India, Nigeria, New Zealand, Canada, Ghana and as Deputy Under-Secretary of State in the British diplomatic conference about Arena's chances in the forthcoming municipal elections against the only recognised opposition party, the Movimiento Democrático Brasi-

lero, MDB. Arena already has an overwhelming majority over MDB in the Federal Senate and Chamber of Deputies.

Reuter

## IMF TROUBLES

## Squeezed by pressures on the dollar

By Paul Lewis, U.S. Editor

"NEITHER a borrower nor a lender be" might not seem an ideal motto for the International Monetary Fund, which is in business to help those with payment troubles. But it has become a fairly accurate description of the Fund's activities since the dollar crisis broke. At the annual meeting in September, a number of finance ministers made passing allusion to the difficulties the organisation faced. But then, as now, attention was focused on more spectacular issues and little heed taken of the curious position the world's biggest bank finds itself in as a result of the dollar's troubles.

In broad terms, the IMF has discovered that its range of activities is being greatly reduced by the pressure on the dollar. In the first place, it faces considerable difficulty in accepting repayment of loans. It has already made and has had to limit the volume to the amount of credit other countries ask it for. At the same time, the list of currencies in which it can do any business at all has shrunk and stands today at no more than three—the Canadian dollar, the D-Mark and the French franc.

Both these aspects of its dilemma spring directly from the weakness of the dollar and are closely interconnected. The story began in June this year when, to unwind its mounting swap debts with Holland and Belgium, the U.S. was obliged to buy some \$250m. worth of their currencies from the fund. This pushed the Fund's holdings of dollars above 75 per cent of its assets and meant that the Fund was automatically barred by its own rules from accepting any further dollars in repayment or carrying out its usual task of spreading them evenly around the credit countries.

Theoretically, it might still have been possible for a country wishing to repay debt to have bought up more acceptable currencies on the market place and

presented these to the Fund instead. But this would either have forced someone else to take in dollars of uncertain value or allowed their currency to appreciate. In either case, action of this kind would be against all the normal canons of central bank behaviour.

The only practical answer was for the fund to keep supplying the currency needed for repayment but through a "turnstile" operation that did not add to anyone's dollar holdings. The system is quite simple: a country in payments difficulties draws hard currencies from the Fund but then resells them to another country wishing to repay Fund debt for dollars. The repaying country presents the currency to the Fund in exchange for its own currency deposited there at the time of its original drawing.

In this way the Fund's net holdings of dollars are not changed; or to put it the more usual way round, the strong currency countries preserve the gold-backed creditor position they have built up with the Fund by having their currencies used for drawings and are not asked to exchange these for dollars that are no longer convertible into gold and whose true value is unclear. But while there is thus no accumulation of depreciating assets, the Fund can only accept repayments to the extent that it can find a would-be borrower.

Normally Fund transactions are carried out within the official parity limits. But when the Germans and the Dutch decided to float after the May crisis earlier in the year, it was agreed that the Fund could buy and sell their currencies at the actual market rate whatever this might be, just as it was doing already with the Canadian dollar.

Although in theory this could be extended to any currency, in practice it has had the unexpected result of leaving these as the only major currencies in which the Fund can deal to-day when almost all of its members are floating.

To be accurate, the French

franc was unaffected by President Nixon's August 15 announcement since the Government decided to maintain the old parity for official transactions. The Mexican peso is in a similar position, although its usefulness is more limited. However, the Dutch have since asked privately that the Guilder should not be used at all for Fund purposes. This seems to reflect their view that the Dollar was technically devalued when the convertibility was ended and the Fund should now fix a new gold value on its own authority, regardless of the views of the Congress or the Administration.

Although the Dutch position appears reasonably sound in legal terms and, indeed, offers an ingenious way of bypassing domestic American objections to an increase in the dollar price of gold, it has not received much support in the Executive Board so far. This is because most major countries are primarily concerned with getting the surcharge lifted and feel in no hurry to provoke the U.S. on technical points of Fund law while the negotiations are still in a delicate stage.

Moreover, it cannot yet be said that the Fund's operations are actually suffering from the strange new limitations placed on them by the dollar crisis. During the first month following the August 15 announcement, for example, it advanced loans totalling about \$100m. which though low by the standards of 1968 and 1969 are still reasonable for a period of abundant liquidity. More important, perhaps, this permitted all repayment maturities to be met.

However, this was due in part to the heavy British and French anticipatory repayments earlier in the year. As these also played their part in pushing the U.S. above its 75 per cent currency ceiling with the Fund, they were none too popular in Washington and may help account for the rumours of a certain coolness in monetary relations on the eve of the August declaration. But

short of another big drawing by an industrial country, the U.K. will have trouble making next year's repayment if the crisis has not been resolved by then.

The main reason why an imposed devaluation of the dollar at least for IMF transactions would never offer more than a partial answer is that it would do nothing to resolve the fundamental question of the dollar's convertibility in the monetary order of to-morrow. This is a key issue because it bears directly on the ability of the U.S. to continue imposing its deficits on the rest of the world and therefore on the future of the reserve currency system.

If its spokesmen are to be

relied on a U.S. deficit for a significant proportion of the world's liquidity needs. And this means that some form of convertibility will have to be restored for the dollar, even though it may be limited by the likelihood that the dollar will remain at least the principal intervention currency for the foreseeable future.

One obvious problem is to reconcile the desire of the Europeans to retain a monetary role for gold with the reluctance of the Americans to extend convertibility beyond paper assets. A possible compromise might lie in the Bernstein idea of settling deficits in a mixture of all assets. But it is also on the cards that a switch over to an SDR-based system would be accompanied by a massive distribution of the new units that would have much the same effect as a big gold price increase in reinforcing confidence in the dollar.

In this connection, the fund's support for a small gold price increase as part of new parity realignment stems less from any innate wish to keep the precious metal as the ultimate benchmark than from its belief that the value of the Special Drawing Right (which is linked to gold) must be protected if it is to play the expanded role in the future that many hope. There is, after all, no reason why the new basis of the system should be devaluated just because the dollar has become overvalued.

Self-interest

Of course there is an element of self-interest too. One of the ironies of this summer's crisis lies in the remarkable resurgence of faith it has brought in the SDR scheme which only a few months ago seemed heading for serious trouble. But it is scarcely less ironic that the Fund, as guardian of the new reserve unit, should also find itself standing on the threshold of a new era of prestige only weeks after the general fall called into question all that it stood for and when its own day-to-day operations are still suffering from the August 15 measures.

Not suffering

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believed, the U.S. would now be ready to abandon the privilege of running the world's major reserve currency in exchange for an SDR-based system that would give it the same freedom as others to change its exchange rate and make new reserve creation a matter for international decision. On a long-term view there are some who remain sceptical about the change of heart, fearing that the U.S. will find it difficult to give up the convenience of being able to run a deficit.

Nevertheless, in immediate terms it is inconceivable that the present crisis could give birth to any new system that still

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## Export News

## Quick off the mark in Calais

THE Calais Chamber of Commerce has been quick off the mark to embrace Britain into the EEC. It has sent invitations to 2,000 U.K. exporting companies on a formal card reading: The Calais Chamber of Commerce and Economic Development Committee on the occasion of Britain's decision to join the Common Market cordially invite (company name) to consider establishing a base on the European mainland.

Nine reasons are listed for setting up in Calais. These are proximity to major European markets, development grants, rates relief for five years, unlimited industrial land, big labour force, good communications, close links with the U.K., the presence already of nine U.K. concerns, and of an established British community.

## In clover

A NEW market has been breached by Hunters of Chester with a shipment of 50 kilos of certified Aberystwyth S 100 white clover seed to Lima, Peru. "Although this initial order is not large, the seed is being used for experimental purposes and, if it compares favourably with other varieties under test, could lead to quite a lucrative new market," says the company's managing director, Mr. Peter J. P. Hunter.

## DEALING WITH EASTERN EUROPE—ROMANIA

## Learning to profit from barter

ROMANIA does not encourage the import of consumer and luxury goods. It refrains from allocating foreign currency for the purchase. There is, however, a potential market, provided export possibilities are investigated from a special angle. It is also important, when putting forward financial proposals related to a quotation to submit also any financial facilities available.

These two points relate to a special and very important element in Eastern trade, as barter. For countries generally short of foreign currency this is a very convenient way to reduce cash payments. As very little or no allocation is likely to be available for the importation of consumer or luxury goods, there is the need to generate this currency. The British exporter submits his quotation; prices, delivery terms and all other contractual conditions are negotiated and agreed upon. In parallel with these negotiations the British exporter agrees to buy, himself, or through third parties, items offered by the Romanian importer at agreed prices and delivery terms. The timing of the purchases on the two related contracts is an important matter, but depends on negotiations.

The result of the operation is that by buying from the Romanian importer a quantity of goods, and paying for them in sterling, the British exporter has made available to the Romanian importer the amount necessary to pay for the British goods. Some of the facets which have

In his final article Gabriel Filderman accuses British companies of an instinctive distrust of barter without examining its possibilities, and argues the advantages to be gained from linking with Romanian concerns to establish manufacturing plants in Eastern Europe.

to be very carefully considered are goods offered in barter; prices of each item; period during which the goods have to be purchased; right to purchase through third parties.

Before entering into a barter agreement, it is important to agree on the items which one is prepared to purchase, to ensure that a market can be found for them. Even among basically saleable goods some can be disposed of readily; but some may have to be held in stock for some considerable time, entailing additional costs.

For this reason it is important to determine very clearly the price of each item, whether it is offered by the Romanian importer at a fixed price, or whether it will be determined on the day of actual purchase, according to the world prices prevailing at that time.

As a barter contract is generally tied to a supply contract, under which the Romanian importer must pay certain agreed amounts of foreign currency to the British exporter on set dates, in most cases such a contract provides a purchase schedule according to which the British supplier must buy and pay the

Romanian party certain proportion of goods. These dates must be clearly defined, to avoid paying the penalties which are usually embodied in such contracts. In this connection it is important to provide for a release from one's obligations under such a contract in cases in which the Romanian party cannot supply the goods agreed upon or cannot supply them at the prices specified in the contract.

Finally, it is important to provide for the right to purchase direct or through third parties. This clause provides for the case of a company wishing to sell, being offered a contract with a payment partly in barter, but either not being interested in purchasing the goods offered, or simply not being geared for such an operation. The clause enables an exporter finding himself in this situation to contact a specialised organisation and to operate through them.

Much has been written against barter, and it is not intended to make a case for or against it. Nonetheless the reality is that it exists and that one has to accept it to have a chance to be successful when trading not only

with Romania but with the rest of Eastern Europe and many underdeveloped countries. Regrettably this reality has not yet been fully appreciated in this country, and this is one of the main reasons for Germany and Japan's ever increasing success in these areas.

It is of the greatest importance that British companies should show much more elasticity in this field. There is a very large fund of goodwill for this country in Eastern Europe generally, but much is wasted away by rigid trading methods.

No study, however cursory of trading possibilities with Romania, can ignore a relatively recent development, namely the encouragement given to the formation of joint companies. This means that any foreign manufacturer can form a joint company in Romania, with 51 per cent. Romanian participation. The foreign partner is guaranteed the right by law to repatriate his share of profits, in foreign currency, at the end of each year or as agreed, and of his share of the capital, when the association is coming to an end, either by agreed termination of the association, or as a result of it being dissolved following a dispute.

The contract of association depends on negotiation between the parties involved, so long as it does not infringe any existing laws. Naturally this presentation of the facts is a clear over simplification. There will be many difficulties to be overcome until such a joint company is formed, because it would be a complete new departure for which there is no precedent.

However, the possibilities which are being opened are tremendous and by far outweigh the potential drawbacks. The important thing is to forget a series of prejudices and to consider the proposal just as one would consider a similar proposal from any other country in the world. The advantages are:

1. Low cost of labour and production
2. Low cost of raw materials
3. No risk of labour disputes
4. A central geographical position greatly reducing transport costs to most European and middle Eastern markets
5. Special relationship with several important markets.

All this boils down to the fact that certain goods would be produced more cheaply and without interruption, and could reach more easily certain markets in which the U.K. is handicapped by high production costs combined with high freight charges.

It was stated above that U.K. business must become more elastic, look for new opportunities, and take them when they appear. British companies should take a good look at this chance, lest others grab first, only for this country to see an even larger share of its world trade being eroded by the appearance in its traditional markets of various German, Japanese, French and Italian goods "made in Romania."

## IN BRIEF

The British Food Export Council, having taken over the responsibility from BNEC, has organised a two-week course starting November 15 in this country for food buyers from stores in Austria, Belgium, Finland, Germany, Holland, Ireland, Italy, Portugal and Switzerland.

The aim is to show the full export potential of the British food industry and at the same time illustrate the general and retail marketing methods of food-stuffs in the U.K.

To become members of the course the buyers had to satisfy a criterion which assumed that, while currently an assistant or in a junior position, they were in line candidates for management, and would be worthwhile contacts for future purchasing negotiations.

The director of Autocars the Israeli car and commercial vehicle concern in which British Leyland is a major partner, has said that a solution to the company's financial problems is in sight.

The UK partner, local banks and local investors were expected to agree to additional investments in the company, said Mr. Yitzhak Shubinsky.

Although he did not disclose the total sum involved, he added that he hoped to get a loan equivalent to £400,000 from the banks.

The company has been suffering from a shortage of working capital exacerbated by the devaluation of the Israeli pound. This put up import costs by more than 20 per cent.

The Leyland Ashdod plant which imports bus and truck chassis from the UK has an order for 1,000 bus chassis for the interurban bus co-operative Egged, but with the Leyland monopoly due to expire soon Egged has asked the Government to approve an order for 50 Daf buses.

The current state of Autocars will be considered by the Knesset. Better with the participation of the directors-general of the Ministries of Transport, Commerce and Industry.

Members of the mission will visit 31 companies throughout Britain.

British exports to Romania in the past two years have been running at about £25m.

## EXPORT PROMOTION

## Technicians to spearhead Romanian sales drive

BY DAVID CURRY, EXPORTS EDITOR

A BIRMINGHAM Chamber of Commerce and Industry mission which leaves Britain on Saturday for Romania represents a completely new development in the Chamber's mission activity.

Designated—Romanian Technical Mission—it consists of a group of technically qualified members who are able to lecture on specialised subjects together with export executives experienced in trade with Eastern Europe.

On a "pathfinder" visit to Bucharest last year, the Chamber learned that the Romanians were interested in technical discussions on manufacturing processes and products in the numerically controlled machine tool and automobile industries and would be prepared to receive visits from experts in these fields.

Through the British Embassy in Bucharest, arrangements have been made for the mission to visit the Romanian "centrals" responsible for the production of machine tools, lorries and tractors, automobiles and chemical equipment.

Each central will assemble audiences of top management, technical and production people and one-half of the mission will lecture and enter into discussion on such subjects like plant for the manufacture of laminated springs, automotive filtration, automotive braking systems and electrical equipment and heat treatment.

The other half will be concerned with machine tools, advanced grinding processes, pneumatic circuit design, the uses of industrial valves and actuators and similar subjects.

The mission will be led by Mr. S. A. Gauci, group marketing manager of Serck with Mr. A. J. Cox manager of the Chamber's

overseas division as mission secretary.

Mr. Gauci commented: "This is the first time the Romanian ministries have agreed to receive a technical group of this type and we believe that by taking the long-term view and making contact first on a technical level, with the export salesman not far in the background, the U.K. will be assured of its place in this market with Midlands industry well to the fore."

A high-level buying mission from Romania is to visit Britain from October 30 to November 13, to study modern developments in the packaging industry.

Sponsored by the Food Machinery Association, the 12-man mission will be led by Mr. Virgil Actarian who, as first vice-

president of the State Planning Committee, Department for Technical and Material Supply, is responsible for Romania's overall economic planning. It is being organised by the British National Export Council.

The mission is a co-operative effort between the two countries. By investing in the latest packaging machinery and techniques available in Britain, the Romanians hope to improve the standard of packaging and marketing potential of their exports to the West.

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**\$600,000,000 of security issues underwritten**  
**\$245,000,000 of total assets**  
**\$91,000,000 of revenues**  
**\$37,000,000 of total capital on September 30, 1971**

Annual Report for Year Ended June 30, 1971  
 Summary of Balance Sheet at June 30th, 1971 (Unaudited)

Assets		Liabilities	
Cash	\$ 6,273,000	Money borrowed	\$ 61,980,000
Receivable	186,753,000	Payable to customers	120,110,000
Securities, owned & other	42,475,000	Other	29,327,000
Total current assets	235,501,000	Total current liabilities	211,417,000
Other assets	9,358,000	Capital	33,442,000
Total assets	\$ 244,859,000	Total liabilities	\$ 244,859,000

Shearson, Hammill & Co. Incorporated, founded in 1902, ranks among the ten largest US security firms with 1,100 investment executives in 64 offices serving more than 100,000 active clients throughout the world.

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Shearson emphasizes securities research supporting a staff of 30 professional analysts with a budget of more than \$1,500,000. Individuals and institutions have entrusted almost \$200,000,000 to the investment management services of Shearson.

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### Operations

Shearson employs approximately 750 persons to process customers' orders and maintain appropriate records of their accounts.

Shearson was among the first to apply computerised technology to the brokerage industry in the early sixties. The firm's two CDC 3300's are capable of handling four times present volume.

Shearson customers have \$1,500,000,000 of their securities in its safekeeping.

Robert van Tuyt, Chairman Alger B. Chapman Jr., President

### International—25 Years

Shearson was one of the first New York stock exchange member firms to establish a full service branch in Europe, in Basel in 1946.

An International Division has been established with responsibility for all brokerage operations outside North America. This Division is headed by Warren K. McOmber, First Vice President, and is backed by a New York staff of research and operation specialists whose duty it is to support the international branch offices with the full range of Shearson services available from its headquarters at 14 Wall Street.

All international offices receive research and other information simultaneously with US branch offices. International division offices are located in Basel, Frankfurt, Milan (Agency), Lausanne and London.

### International Banking

US and International companies are assisted in obtaining capital through public offerings and private placements at the most favourable terms in all markets outside the United States. Under the direction of Michael Palmer, First Vice President, this London-based operation is also active in arranging international mergers, direct investments (venture capital) and providing financial advice to corporations.

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## European News

## Four nation union plan to approach Ford

By Our Own Correspondent

GENEVA, Oct. 28.

A DIRECT union approach to Ford's European headquarters in Weybridge, Essex, to explore the company's long-term investment plan has been suggested here by the automotive section of the International Metal Workers' Federation. The proposal is still being considered by the main unions involved, IG Metall in Germany, the United Auto Workers in the U.S. and the CGVU and AUEW in Britain. These unions have shown concern over Ford's long-term policies regarding pensions, sick-pay, holidays, and fatigue allowances for tedious jobs, and the intention is to seek multinational uniformity on these issues. Mr. Maurice Evans, national secretary of the automotive section of the Transport and General Workers' Union, gave as an example the common track system assembly arrangements of Ford in several countries, which, in the union view, should logically lead to a uniform fatigue allowance. Fears were expressed that major policy decisions concerning Europe were reached in the U.S. without due consideration for their social consequences.

## Convention against pirate records

By Our Own Correspondent

GENEVA, Oct. 28.

AT LEAST 12 countries, including Britain and the U.S., are expected this week to sign a new international convention to protect producers of records and cassettes from the unauthorised duplication and sale of their products by pirates. The convention has been approved by an international diplomatic conference convened here by the World Intellectual Property Organisation and UNESCO. Contracting States will undertake to protect producers from the manufacture, importation and distribution of duplicates for public sale.

## French cut discount rate by a quarter per cent

BY ADRIAN DICKS

PARIS, Oct. 28.

THE FRENCH Central Bank discount rate was cut to-day from 6½ to 6 per cent, while the rate for loans against securities was also cut by a similar amount to 8 per cent. The new rates still leave France well at the top of the league table of interest rates among industrialised countries, and the new discount rate is still 1½ per cent. above ruling British Bank Rate.

First reactions in banking circles here were that the slight cut would make little difference to the high cost of borrowing. However, if some bankers are right in believing that further gradual cuts will follow in the next few weeks, the French authorities may be nearer a decision to allow a period of relaxation in the early months of next year.

The main impact of to-day's minor changes is expected to be felt at the technical level in rate for commercial paper and possibly to some extent in export finance. Banks, under the new structure of interest rates introduced earlier this year by the Governor of the Banque de France, M. Olivier Wormser, no longer bound strictly to the official discount rate for the rates they themselves charge to ordinary borrowers.

In recent months, moreover, they have been complaining loudly about the steady increases in compulsory reserve levels

introduced by the French authorities as part of their defensive action against revaluation pressures on the franc. If these complaints are half-way true, the banks will not be in any hurry to make borrowing cheaper now.

## Motor vehicles

AP-Dow Jones reports: French motor vehicle production in September amounted to 293,423 units, up from 18,785 units in August and 250,251 units a year earlier, the French Motor Industry Association said.

Production in the first nine months rose to 2,150,252 units, including 1,826,935 private cars, from 1,972,445 and 1,761,706 units, respectively, in the same 1970 period.

Exports in September amounted to 150,132 units, up from 32,666 units in August, and 130,506 units a year earlier. Of the total, private cars accounted for 134,778 units, up from 30,326 units in August, and 119,444 units a year earlier.

Exports in the first nine months amounted to 1,190,747 units, including 1,065,356 private cars, up from 1,108,080 and 1,014,843 units, respectively, a year earlier.

Imports in August amounted to 18,738 units, down from 32,796 units in July, but up from 12,300 units a year earlier. Of the total, private cars accounted for 15,437 units, down from 23,381 units in July, but up from 10,936 units in August 1970. Import figures for September are not available.

First eight-month imports amounted to 250,807 units, including 223,891 private cars, up from 207,798 and 188,189 units respectively a year earlier.

New car registrations during the first nine months totalled 1,215,397 units, up from 1,080,821 units in the like 1970 period. Of the total, private cars accounted for 1,052,829 units, up from 828,377 units.

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## THE SWISS ECONOMY

## Foreign labour cuts hurt

BY NORRIS WILLATT

THE SWISS policy of severely limiting the number of foreign workers is not without cost to the country. Industry is caught in a really tight labour squeeze now. That, at least in part, explains the stagnation of industrial production in time, the impact may be offset by investment in labour-saving equipment, and even by shifting abroad certain production processes. For the present, however, the strait-jacket is tight.

The index of industrial production for the second quarter of 1971, according to the Swiss Federal Office of Statistics, was provisionally calculated at 147 (1965=100), exactly the same figure as for the corresponding period of 1970. The levelling off is not uniform throughout all Swiss industry. In some branches, output still is on the rise, notably in building materials, a direct reflection of the construction boom, which, however, the authorities now are moving to dampen down; this industry showed a 4 per cent. year-to-year increase.

## For gas

The important chemical and pharmaceutical and metallurgical industries showed modest gains of 3 and 2 per cent, respectively, in equally important industries as textiles and machinery, the increase was a mere 1 per cent. Meanwhile, the overall index was dragged down by actual declines in other basic sectors of the economy: of 1 per cent. for the clothing industry, for example; 2 per cent. for wood; 4 per cent. for gas and electrical generation; 7 per cent. in the key watch industry; and a whopping 14 per cent. for paper.

## IN BRIEF

● VIENNA: Negotiations began yesterday with a Soviet delegation to increase annual deliveries of natural gas from 1,400m. cubic metres to 3,000m. cubic metres as from 1974. As under the last deal, Austria would supply large diameter steel pipes in exchange, which could reach a total of 120,000 tons. The two sides will also explore the possibility of building a branch line of the Soviet-Czechoslovak gas pipeline from Bratislava to Vienna.

● BUDAPEST: Hungary yesterday followed other East European states in switching its trade with Austria from the dollar clearing basis to a multilateral payments system.

● MOSCOW: Soviet Communist Party leader Leonid Brezhnev will visit East Germany at the end of this month. Tass news agency reported.

● PARIS: French retail prices rose by one half per cent. in

The setback cannot be entirely blamed on the tightness of the labour market. Without question, Swiss industry has not been able to insulate itself from recessionary trends in the U.S. during the past year, which are now spreading to Europe and Japan. Moreover, the stagnation of the second quarter may in part be due to earlier stockpiling by customers anticipating price rises.

## The shortage

None the less, to a far from negligible extent output in certain industries is being restricted by the tight regulations now governing the granting of work permits to foreigners. Even before the latest squeeze, executives of large engineering firms, such as Brown, Boveri and Sulzer Brothers would point out to the visitor empty work bays that were idle because there were no workers to man them. Even the big chemical and pharmaceutical firms, such as Ciba-Geigy, Hoffmann-La Roche, Sandoz, whose location in Basle at the frontier with West Germany and France have the advantage of being able to employ commuters from both countries, complain of a serious shortage of manpower.

The shortage is not going to be alleviated. The Swiss people have made it abundantly clear that with foreigners—chiefly Italians—making up 28 per cent. of the active population, they have stretched hospitality far enough even in their own self-interest. The Government, under the strong prodding of xenophobic elements, whose cause is represented in Parliament by Herr James Schwarzenbach, is committed to a steady, progressive

reduction in the number of foreigners granted work permits. Furthermore, Swiss industry is equally committed to conformity with the regulations, as was reaffirmed recently at the annual conference of the Swiss Federation of industry by its president, M. Etienne Junod. Industrialists, in fact, are pursuing other initiatives to solve their problem. They are, for example, committed to extensive outlays for rationalisation.

## Work force

That is confirmed by figures on national investment. Thus, during the past ten years, of a total public and private investment of Sfrs.183,000m. (about £15,000m.), two-thirds was for buildings and one-third for plant and equipment. But in 1970 the ratio was three-fifths for buildings and two-fifths for plant and equipment, in a total outlay of Sfrs.25,500m. (about £2,500m.). Moreover, in 1970 spending on new buildings rose by only 7 per cent., compared with 8.2 per cent. in 1969. By contrast, outlay on plant and equipment last year was up by 12 per cent., compared with only 7.2 per cent. in 1969.

Some Swiss concerns have already shown notable gains in productivity. Adolph Saurer, of Arbon, manufacturer of gas turbines, textile machinery, vehicles, between 1966 and 1970 increased turnover at the factory there by 50 per cent. (from under £20m. to over £30m.), while the number of workers actually fell by 355, from 4,222 to 3,867. Sulzer Brothers, the highly diversified machinery firm, of Winterthur, over the same period increased its turnover by nearly 36 per cent. (from about £88m. to

around £93m.), with an increase in the work force of only 307, from 14,443 to 14,750. Workers have benefited from the productivity increase at both firms. Wages and fringe benefits during the period under review went up 35 per cent. at Saurer and 36 per cent. at Sulzer. Dividend payments rose by only 11 and 17 per cent. respectively.

The other principal development has been a trend towards shifting production from Switzerland to subsidiaries abroad where shortage of labour is not acute. Most of the big Swiss firms for many years have had large plants in foreign countries—in the case of Nestle, less than 3 per cent. of total turnover is generated by Swiss operations. The West German subsidiary of Brown Boveri is much larger than its Swiss parent in Baden.

## At home

However, this last company is now diverting some production both to the West German plant, and to its subsidiary in France, partly by reason of the labour squeeze at home. The same is true of the pharmaceutical giants. For example, about 80 per cent. of total investment by Ciba-Geigy last year was made abroad. This process seems certain to continue throughout the 1970s.

Sandoz lately has been engaged in a programme of transferring the manufacture of suitable products to group centres abroad. This process seems certain to continue throughout the 1970s. Sandoz, which must be reckoned as an important potential investor of capital on the international scene over the coming years.

## Reshuffle in Poland

By A. H. Hermann

AN IMPORTANT reshuffle in the Polish Government this week has brought promotion to men, who though favouring moderate economic reform, are acceptable to Moscow. Basically, the changes can be seen as further strengthening the position of the Party leader, Mr. Edward Gierek.

The most important is that Mr. Mieczyslaw Jagielski becomes chairman of the State Planning Commission. He is already deputy Prime Minister and Poland's permanent representative at Comecon. The present acting chairman of the Commission, Mr. Witold Trampczynski will go as Ambassador to Washington.

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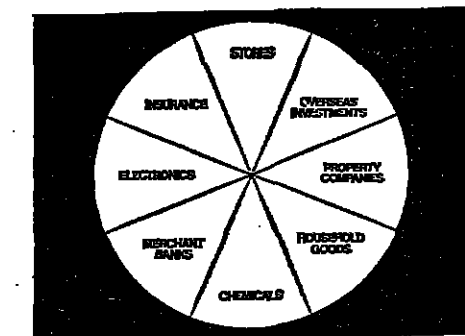
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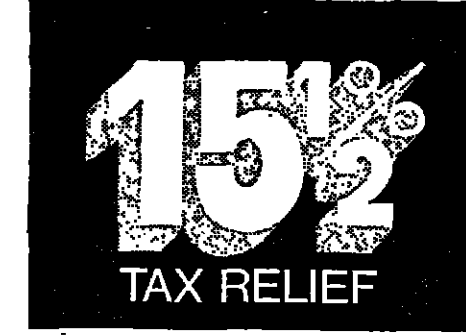
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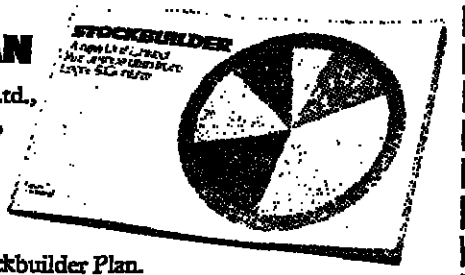
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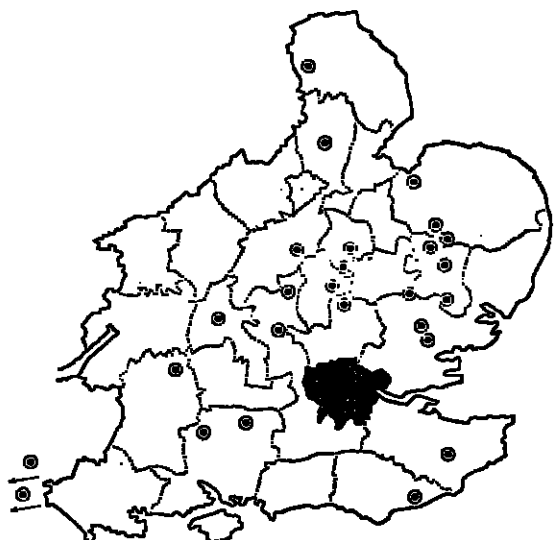
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### Smith Ind. Welsh expansion

BY OUR OWN CORRESPONDENT

NEW developments in the Swansea Valley over the next three years are expected to result in 300 more jobs.

A Government advance factory of 35,000 square feet, which is to undergo extensive modernisation at Abercraze, has been allocated to Smith Industries, one of Britain's largest manufacturers of motor vehicle equipment, aviation and marine instruments, clocks, watches and control appliances.

The company already occupies two factories nearby in the upper Swansea valley. Anglo-Celtic Watch and Enfield Clocks, two of its subsidiaries, took over advance factories at Ystradgynlais soon after the last war and now employ 1,250 people. The Abercraze plant will allow the transfer of a substantial part of the Kelvin Hughes machine shop from Essex to South Wales.

CARDIFF, Oct. 28.

### AEROSPACE

## The TriStar project now firmly back in business

THE announcement of a \$19m. order by Court Line Aviation for two U.S. Lockheed TriStar airliners powered by Rolls-Royce RB-211 engines, together with an option on another three, is clear evidence that this aeroplane and its engines have at last escaped the doldrums of the past two few months, and are rapidly on their way back in world aviation.

The Court Line deal, involving aeroplanes specially designed inside with 400 seats for the "inclusive tour" market, is certain to touch off further orders from airlines that cannot be left behind in the rapidly expanding 'inclusive tour' holiday market. **MICHAEL DONNE reports**

With its financing problems all hopefully behind it, Lockheed is pushing ahead with the development and production of the TriStar at an accelerating rate, with the target of certification for airline service next April 15. Immediately after that, the first two airlines to take delivery—Trans World and Eastern—are expected to start services, having already by then received one aircraft apiece at least to help them with crew training and route familiarisation.

### Crew training in hand

This will be only five months behind the original deadline, despite all the events of the past few months. Already, some ground crew and air-crew training has begun at Lockheed's TriStar final assembly plant at Palmdale, in the California desert inland from Los Angeles.

All the statements now emerging from Lockheed and Rolls-Royce exude confidence. These associated with the aircraft and the engine programmes are determined to put the events of the past nine months behind them, and to try to make a major success of the aircraft and its power-plant. Whether they will succeed depends entirely upon the degree of acceptance of the aircraft by the airlines over the years ahead. But Lockheed's salesmen are on the road in force. Despite the current financial difficulties of many of the world's airlines, there is no doubt that the settlement of the financial troubles of both Lockheed and Rolls-Royce (1971) has re-awakened interest in the TriStar/RB-211 combination.

Lockheed itself is now re-hiring labour. At the moment, 24,000 workers throughout the U.S. are directly employed on the TriStar programme, a total that is expected to rise to 30,000 during the first three months of 1972. Of these, some 12,500 are directly employed by the Lockheed California Company at Burbank and Palmdale, and this total includes more than 5,000 workers recalled out of the 4,200 TriStar employees laid off earlier this year when the programme was in its darkest days. In addition, over 1,500 suppliers and sub-contractors for the TriStar in 41 States now employ around 11,000 on the project, a

figure which is expected to grow to about 15,000 by next March. The fourth TriStar to fly made its maiden flight last Sunday, and a fifth aircraft is due to join the flight test programme before the end of this year. So far, flight time with the TriStar amounts to over 700 hours out of the total of 1,674 planned before certification of the airliner, next April. The fourth aircraft's share will amount to 255 hours, mainly in testing the navigation, communications, and passenger-service systems. The flying hours have been kept up steadily, even under the pressures of recent months, which is why Lockheed can now accelerate it swiftly.

The plan is for formal demonstration flights for the Federal Aviation Administration to start soon, and for "type inspection authority" to be given by mid-November. This will clear the aeroplane for the full FAA flight tests leading to certification next spring. Certification for the U.K. market by the Air Registration Board is expected in early 1973.

In the meantime, TriStar testing, begun a year ago, has already covered evaluation of the handling qualities throughout the entire flight envelope up to 42,000 ft and speeds of 600 m.p.h. On the ground, more than 11,000 simulated "flight cycles" have been completed in a fatigue test aircraft. This endurance testing will eventually include 36,000 such flights, equivalent to the lifetime of the aircraft in service.

In the meantime, quantity production of TriStars is also accelerating. Final assembly has already begun of the 19th aircraft at Palmdale, while fabrication of parts for production aircraft No. 37 has begun at Burbank. The Coventry factory of the Bristol Engine Division is also involved, while Short Brothers and Harland, of Belfast, is now accelerating its own programme of making pods and associated systems for the engines, prior to their shipment to California. Altogether, in excess of 8,000 Rolls-Royce workers are now engaged on the RB-211, out of the Derby Engine Division's total work-force of some 35,000 (which is some 6,000 less than when Rolls-Royce Ltd. collapsed last February). If Short's and other

### Flat out on RB-211

As for the RB-211, development and production are going well. All the factories of the Rolls-Royce (1971) Derby Engine Division in England, Scotland and Northern Ireland are now working on the RB-211, in addition to their work on other engines. The Coventry factory of the Bristol Engine Division is also involved, while Short Brothers and Harland, of Belfast, is now accelerating its own programme of making pods and associated systems for the engines, prior to their shipment to California. Altogether, in excess of 8,000 Rolls-Royce workers are now engaged on the RB-211, out of the Derby Engine Division's total work-force of some 35,000 (which is some 6,000 less than when Rolls-Royce Ltd. collapsed last February). If Short's and other

sub-contractors are added in, it is probable that altogether well over 20,000 workers in this country are involved in some way or another with the engine programme.

By the end of this year a total of 40 flight engines will have been delivered to Lockheed since the programme started, including a batch of 18 engines for certification flying. By April 1973, a further improved version of the engine will become available. Total engine running time—on the bench, in flight and ground testing—now stands at over 9,000 hours, with 15 engines currently in the overall test programme at the Derby and Hucknall plants.

For the future, component development will be undertaken so that a 45,000 lbs. thrust engine could be built to enter service late in 1974, if a firm requirement is aimed at proving the TriStar that would use this kind of updated RB-211.

In the meantime, present production of the RB-211 is accelerating. On top of the deliveries now being made, over 85 per cent of the parts for the next batch of 14 RB-211's have been made; these engines will be delivered to Lockheed in February and March for installation in aircraft due to enter service from next April. Further ahead, work is well advanced on the next 36 RB-211's planned for delivery to Lockheed between April and June 1972. Over 50 per cent of the parts for these engines have already been made.

So far as the TriStar order book is concerned, Lockheed remains confident of achieving its break-even target of 255-265 aircraft. Although Air Holdings of the U.K. recently rearranged its

financing of the 50 aircraft originally ordered, whereby it is now no longer making progress payments on the 30 aircraft out of that total still unfirmly sold, this does not worry Lockheed, since it is convinced it can sell the balance of these overseas.

Air Canada, for example, has already taken an option on another nine aircraft (it already has ten on firm order), while Air Jamaica has an option on another one (it has one on firm order). This could cut the 39 to 28, if these options are converted to firm orders, while the Court Line deal for two firm and three on option could cut it further to 24; these are understood to be other deals pending in Europe alone.

At this stage, the possibility of an order from BEA cannot be discounted, but this airline is still a long way from any final decision and may not take one until around mid-1972. Nevertheless, a BEA order continues to be one of the main targets for the Lockheed salesmen.

Apart from BEA, Lockheed is making a big sales push in Europe, where it feels there is a market for at least 30 aircraft to be picked up among the "inclusive tour" operators. Apart from Court Line, British airlines which have been showing interest in the TriStar include Britannia Airways and Dan-Air, as well as British Caledonian Airways, although the latter—with its sights now set on North Atlantic scheduled services—may well be more interested in the Boeing 747 Jumbo jet.

On the Continent there are several inclusive tour airlines interested in wide-bodied jet airliners, following the success this summer of Condor Flugdienst, the West German charter line, in flying a Boeing 747 down to Mallorca in a high-density seating arrangement. The coming trend in Europe in inclusive tour work now seems to be towards the big, high-density aeroplane, and no inclusive tour operator can afford to ignore it, especially after Condor's action, Court Line's order, and the plans of some tour organisers to use Jumbo jets this winter.

### Extended range versions

McDonnell Douglas has been concentrating more on selling its extended range version of the TriStar's rival, the DC-10 Series 30, and so Lockheed, which has been behind in that particular field (its own plans for an extended range TriStar are still not finalised), is concentrating on the inclusive tour market with the aeroplane it has, modified to include built-in air stairs (for ease of unloading at foreign airports without sophisticated equipment) and high-density seating.

It may well pick up many orders over the next few months, if not weeks, and by the time the first TriStar enters service next April its future could be much brighter than for a long time past.

### NUT upset by threat to sever university link

By Michael Dixon

THE 262,000-strong National Union of Teachers last night declared it would not co-operate in any scheme to sever links between universities and the teacher-training colleges.

Reacting to rumours that such a scheme will be recommended by the James Committee on teacher training, Mr. Edward Britton, the NUT general secretary, said last night that a special meeting of teachers and other educational organisations was being arranged for November 9.

The rumoured scheme would get no co-operation from the teaching profession, he declared in London. If attempts were made to sever the university-college links, the NUT might have to consider sanctions.

### Gains tax on Crabtree shares deal

In the report, Lords Uphold £55,000 Gains Tax on Crabtree Shares Sale, published yesterday, it was stated that the House of Lords had upheld a ruling of the Appeal Court that Mr. Peter Neville Crabtree, of Lane End, Boston Spa, Yorks, must pay £55,000 capital gains tax on the sale of shares in R. W. Crabtree and Sons.

In fact, Mr. Crabtree has to pay tax on capital gains which have been assessed at £55,000. The error arose over a misunderstanding of the phrase "assessed" capital gains tax in the sum of £55,000.

### SPECIAL STAMP FOR QUEEN

The Queen's silver wedding anniversary is to be marked with a special stamp issue in November next year. It is one of six special issues in 1972, announced yesterday by the Post Office.

## Burndene Investments Limited

EARNINGS SUBSTANTIALLY INCREASED DESPITE RISING COSTS

Mr. D. T. C. Caldwell on Encouraging Start to Current Year

The Annual General Meeting of Burndene Investments Limited was held on October 28 in Edinburgh. Mr. D. T. C. Caldwell (the Chairman) presiding.

The following is an extract from his report circulated to Shareholders:

The net Group profit before taxation of £326,484 for the year ended 31st May, 1971 reflects a substantial increase over the profit for the previous year of £224,010 and is a record for your Company.

**COMPETITIVE POSITION**  
Industrial costs have risen rapidly in the past year. Sentiment has now improved in many sectors, but this is largely based on the view that there will be some expansion in the economy, and that there has been a reduction in the rate of increase in costs.

Even the reduced rate of increase remains much too high. This erosion of our competitive position in world markets against others whose costs are rising less quickly than ours, will result in a loss of exports for this country. The significance of this trend for your Company will be appreciated in that we export 52.9% of all caravans manufactured by the Wullerby and Robin caravan subsidiaries. The caravan manufacturing and mobile home division produced profits of £165,580 representing a satisfactory increase over the previous year (£80,914). We have a healthy order book at the present time but we should be aware that the competitive strength of manufacturers based in the European countries, to which we export our caravans, is increased as our costs rise more rapidly than theirs. We endeavour to improve design and increase productive efficiency in order to maintain our position.

**CONTINUING PRESSURE ON MARGINS**  
The textile industry has suffered severely from higher wages and other costs while lower prices have been obtained for its manufactures. These pressures continue.

The fact that turnover of our nylon garment manufacturing division increased by 49.1% while profits rose by only 3.7% to £202,791 bears eloquent testimony to the conditions under which we have operated.

**AIRGUARD REORGANISATION**  
Airguard has now re-organised its manufacturing unit which will result in lower production costs. It is anticipated that the benefits of these arrangements will be reflected in the current year's trading.

**FINANCIAL STRENGTH**  
Our permanent investment in the expansion of our business over the past few years had been largely financed by Bank borrowing. These borrowings had reached a level which was too high in relation to our net tangible assets. The funds raised by the successful Rights Issue in June 1971 restored our basic strength, and flexibility to our planning for the development of our business.

**HIGHER CURRENT SALES**  
It is too early to make a forecast for the current year. In the nylon garment manufacturing division the year has commenced with lower prices being obtained for our products than the average received in the previous year. We hope that we shall be able to combat this by further increasing our output and by improving efficiency. Sales figures for the first four months are a little higher than in the same period last year. We held our annual caravan trade show recently at which the new season's models were made available. Our products were well received and we have a good forward order position. Sales in the caravan manufacturing division have also reached a higher level than in the disappointing first quarter of the previous year. We shall strive to increase the competitive strength of all our products and on an analysis of the progress which we have already made the position is encouraging.

The report and accounts were adopted.

FIVE-YEAR FINANCIAL RECORD					
	1971	1970	1969	1968	1967
Turnover	£3,995,078	£3,081,866	£2,776,501	£2,456,503	£1,805,775
Group trading profit subject to taxation	£326,484	£224,010	£270,453	£280,542	£148,253
Net earnings for					
Ordinary shareholders	£187,770	£126,307	£143,790	£141,967	£80,841
Ordinary dividends rate	25.00%	25.00%	20.00%	19.17%	18.75%
Net capital employed	£1,093,302	£896,251	£808,540	£718,257	£611,550

(Dividend on capital as increased by Rights Issue in June 1971.)

As from 1st November 1971	
Interest rates on Deposits	
with (a) THE HODGE GROUP LTD.,	
(b) ANGLO AUTO FINANCE CO. LTD.,	
(c) JULIAN S. HODGE & CO. LTD.,	
will be—	
Notice of Withdrawal	Interest Rate
7 days	5% p.a.
3 months	5½% p.a.
6 months	6% p.a.
11 months (for The Hodge Group Ltd. & Anglo Auto Finance Co Ltd)	7% p.a.
12 months (for Julian S. Hodge & Co. Ltd.)	7½% p.a.
Fixed period 2 years (New accounts)	7% p.a.
Fixed period 3 years (New accounts)	7½% p.a.

Particulars from: The Hodge Group Deposit Dept. 24  
Julian S. Hodge Building, Newport Road, Cardiff. Telephone 42677.



### By Our Own Correspondents

**BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT**

BY OUR OWN CORRESPONDENT JOHANNESBURG, Oct. 28.

### By Our Own Correspondent

**BY A SPECIAL CORRESPONDENT**

## Interlude

## IN BRIEF

## Goodwill

## Burned fingers

The two countries have a 1,200-mile long frontier which is adequately guarded by the Burmese and will remain unprotected until road and air communications are improved out of recognition. Burma has a population of 27 million against China's 700 million. About 20 per cent are of diverse types of insurgents of whom the Communists and separatist elements in the northern frontier regions are particularly susceptible to Peking's influence.

None of these facts might have been allowed to distort Sino-Burmese relations if China had not shown its willingness to exploit them during the Cultural Revolution. A recent review of the key to Burma's attitude in China which remains a combination of superhuman restraint and profound distrust. They also help to explain Gen. Ne Win's much publicised "love thy neighbour" for foreign powers big in practice means "love thy big neighbour."

guese enclave north of Angola, earlier this week and negotiated with Portuguese security authorities.

The first slithery touch is enough. It tells you that you're the unlucky recipient of copies on coated paper. They're often smudged and smelly. They often curl and fade. And they're difficult to file.

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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## COMPUTERS

### Centre-File success

OFF TO what in all fairness was a very shaky start two and a-half years ago, Centre-File, the wholly-owned computing service subsidiary of National Westminster Bank is now riding high. Yesterday, it disclosed that twin IBM 370/155 machines were in and running as the most powerful array of this type of computer in Europe.

Although they form a major part of the equipment at the company centre in Finsbury Circus, their operations are complemented by some extremely sophisticated equipment from other manufacturers. This includes the computer to microfilm complex supplied by Data-graphix; the key to magnetic tape encoding equipment from CMC, running on a PDP-8 as the central controller; and the Cummins mark sense reader which can speed up the capture of information from standard documents quite dramatically.

Altogether this represents an installed value of something like £5m, but Centre-File needs all this power in view of the way in which its services have expanded and still are growing, according to Cyril Townsend, the managing director. Main service still is the one which supports the operations of many of the brokers operating on the London Stock Exchange through 64 terminals.

Since this service tentatively went to work some two and a-half years ago, it has expanded rapidly and it now handles 25 per cent of the bargains concluded on the LSE every day. This represents a formidable amount of money for which the company is responsible since transactions vary between £36,000m. and £40,000m. a year. Stock data held in the massive files now covers as many as 22,500 separate entities.

The service to the building societies is also progressing well with 28 either using or about to use the centre and about 1.1m investment and mortgage accounts on the equipment.

Early this year, the company launched a payroll service; nothing novel but, in the words of Townsend "not cheap but good." It has attracted so far 350 employer users which, added to the 200 using the former Westminster Bank service adds up to a considerable total which is still growing fast.

Data capture through mark sense readers and the CMC unit is another fast growing area and altogether, this NatWest subsidiary gives every impression of bustling activity on problems now well understood and under control.

Revenue this year is around £1.4m. should grow to £2m. next year and started at only £100,000 in 1968.

### Printing at lower cost

TELEX Computer Products U.K. has designed its 5403 high-speed train printer and various models of controllers as direct replacements for the IBM 1403N1 printer and 2821 control units. They give substantial rental savings, the company reports.

First deliveries of these products to U.K. customers are scheduled for this month, and the sub-system is already installed for demonstration and use on Telex's own IBM 360/30 at its head office at 213, Oxford Street, London, W.1.

An important feature in the Telex sub-system is its capability of on-line or off-line operation, with IBM systems 360 or 370.

When printing off-line, it may use magnetic tape or punched cards for data input, running completely independent of the central processing unit.

Telex 5821 controller and 5403 printers provide improved printing and skipping speeds, giving 1,200 l.p.m. with the standard 48 character print train and up to 2,500 l.p.m. with the 16-character set. A range of print train character sets is available.

### Guide to makers' pricing

NEWLY established computer service brokers Carus AG and Co., of 36, The Broadway, Maldenhead, has introduced two "pocket guides" to computer prices in the U.K., to be updated quarterly.

The new publications—one for medium-scale computers, the other for small systems—represent a step forward in computer intelligence. CC Sellers, as they are called, will be useful to computer salesmen, consultants and users since manufacturers normally disclose prices only in the context of individual system proposals.

The volume on medium-scale machines compares, at a glance, the prices of 35 computer models (and associated software) offered by IBM, ICL, Honeywell, NCR, Univac and Burroughs. The guide to small computers covers the products of 16 manufacturers: Adler, ADM, Burroughs, Business Computers, Friden, Data Processing Equipment, IBM, Kienzle, Litton, Mulvico, NCR, Nixdorf, Honeywell, Sumlock, Philips and Olivetti. This publication embraces 50 models of small computer systems.

## LUBRICATION

### Making tribology viable

FOR the Industrial Unit of Tribology at Leeds the end of its "deficiency" grant from the Government is in sight. The grant guarantees a minimum income of £5,000 per month to operate the Unit that is any shortfall in income from membership subscriptions and contract work is made up by the grant. The Unit was established on April 1, 1968, and on March 1, 1972, should become self-supporting.

The Unit is struggling to ensure its continuance. A full colour brochure has just been published and a marketing consultant appointed to stimulate support from industry.

When the Unit invited membership from industry in July, 50 companies joined in three months at £25 each per annum, and the figure is nearing 100, including foreign members. Some 28 sponsored projects are in hand at figures ranging from a 2½ year £20,000 contract to small consultancy jobs at £50 a time, and with an average project cost of £2,400.

On this basis the director, Dr. R. J. Wakelin, who joined the Unit early this year, is confident that viability will be achieved.

The Unit is developing several schemes involving multi-client sponsorship. These include a study of systems to provide early warning of failure in bearings, gears, seals and other tribological devices; testing facilities for maintenance-free bearings, including plastics, composite materials, incorporating solid lubricants, and low friction surface treatments; and chemical vapour deposition of wear resistant coatings (in conjunction with Fulmer Research Institute, a member organisation).

## TRANSPORT

### Tests on a safety vehicle

CRASH barrier tests at 50 mph have been carried out on an experimental "safety" vehicle by General Motors Corporation. Typical at a time when Volkswagen have protested that cars loosely described in this way could cost some 50 per cent more to build, these trials have shown that the GM concept holds great promise since the components of the test vehicle held together well and remained intact despite crash distortion.

Two of the test units are going to the U.S. Department of Transportation in about a year for further extensive testing. They will be in the form of five-passenger cars and are the result of the first half of the GM's experimental safety vehicle project (ESV) which has another 14 months to run.

Before the final versions go to DOT, up to a dozen tough barrier crash tests—equivalent to crashing into a parked car at 100 mph—will be carried out. There will also be development and durability testing.

The four-door saloon has a 124 inch wheelbase, and a 64 inch track. It is driven by a 5932 cc V-8 engine through a three-speed torque converter, a drive shaft with two universal joints and has a coil spring rear suspension.

Engine weight has been cut by using an aluminium cylinder

block, heads and intake manifold. Nevertheless, it has not so far been possible to achieve the Government's ESV weight limit of 4,000 lbs plus or minus 200 lbs, even though some 1,000 lbs of aluminium has been incorporated into the design. The vehicle as it now stands weighs 4,700 lbs.

Occupant protection considerations have resulted in some interesting features such as the elimination of the pillars at either side of the windshield, which also makes for greater visibility. This ESV has something like 10 per cent more glass than a standard model.

Increased interior space has been found necessary to house the protection system which is described as a 30/50 approach. This means protection for unbelted occupants in a 30-mph barrier crash, without special safety units. But to achieve survivability in 50-mph crashes, the air-bag approach has been introduced because it is "the only experimental device known to approach the performance specifications established by DOT."

Many other features have been designed into the unit including double brake circuit with automatic wheel-lock control, massive front and rear bumpers systems and improved signalling devices. Driver controls are nothing

No doubt with these applications in mind, Motorola of 44 Bath Road, Slough, Bucks, has just introduced a system that determines a vehicle's position by measuring the relative propagation delay of a signal which is transmitted from a vehicle and received at three or more fixed sites.

The control site addresses the vehicle by radio, triggering a return transmission that effect enables a circle to be described around each of the stations on which the vehicle must somewhere lie. Intersection of the circles pinpoints the vehicle position. The measurement is digitised and sent to the control centre where the signal is input to a computer that performs the necessary calculations to pinpoint the vehicle. The result is then displayed on CRT system, having first been converted by the computer to the appropriate coordinates.

The interrogation and processing of the information takes place without the involvement of the vehicle driver and location of vehicles operating on roads or fixed routes is performed claim the company with an accuracy of better than 300 yards.

The system is also able to do with other data relating to vehicle such as driver identification, time scheduling, route a run number, seat occupancy status of doors and engine. In the United States the system is already in use by the Chicago Transit Authority.

## METALWORKING

### Heat treats small parts

PRODUCTION problem at a typewriter factory has been solved with a heat treatment furnace of the shaker hearth conveyor type which is used for straight hardening and carburising small precision parts.

It was the components' small size that created the problem—some less than ½ inch square and ¼ inch thick. Treated in quantities in baskets they form a dense load with poor heat transfer and restricted process atmosphere circulation. Temperature uniformity is difficult to control and there are quenching problems, leading to poor metallurgical uniformity of the components.

With the shaker hearth furnace the plant is mechanised and a single unskilled operator can control it. The furnace, installed at Imperial Typewriters of Hull is made by Birlec, Westgate, Aldridge, Walsall WS9 8BX.

eradiate on tungsten carbide, stellite or stainless steel ball bearings. Fluid passing through the meter causes the rotor to rotate. A magnetic pick-up coil integral with the body registers a pulse each time a blade interrupts the magnetic flux. The frequency and voltage of the pulses is directly proportional to volumetric flow rate and indicates the passage of a fixed volume of fluid—pre-determined by factory calibration.

Applications are likely to include water purification, as treatment systems, boost pumps; cooling systems for electronic tubes, bearings and compressors; high input boiler pre-tension systems; rapid recovery water heaters, and food waste disposal units.

### Treatment of ferrous surfaces

FERROUS components which come into contact with phosphate substances may develop a dry, red coating immediately after hardening and tempering. Removal of this coating is difficult unless mechanical methods such as barreling or super sheening are used.

Burmah-Castrol Industrial has tackled the problem by developing a soluble heat treatment oil which imparts an even black finish to components. Mixed with water to form a 10 per cent solution, Castrol Intemp 4 can be used instead of conventional soluble oils in continuous or pot type tempering furnaces. It is claimed to almost eliminate phosphate staining, and the black appearance is stated to compare with finishes produced by the more costly process of chemical blacking or steam tempering.

### Maintenance services

COMPUTER Sales and Services, the refurbished computer and peripheral house of Pancras Road, London, N.W.1, has formed a new maintenance company.

Headed by the CSS technical director, Mr. Paul Wells, who was formerly with GEC, CSS (Maintenance) offers full maintenance facilities for ICL and SDS computers.

The company has just gained the maintenance agreement for an SDS computer system installed at Rolls-Royce (1971), Derby.

CSS Maintenance offers a variety of maintenance contracts, involving 12 monthly schedules of work with the aim of bringing and keeping systems up to the original specification of the manufacturer. With a staff of over 30, CSS plans to extend its maintenance services to systems other than IBM and ICL in the near future.

### Pneumatic five ton bench press

PNEUMATIC bench press, operated by a Martonair double acting cushioned cylinder (2½ inch bore, 6 inch stroke) through a toggle, develops a ram force of 2 tons at 60 psi and 5 tons at 100 psi. The stroke of the press is variable from ¼ to 1 inch and the height of the ram is adjustable by 1 inch. Throat depth is 3 inches and die space 5 inch deep by 6 inch wide. The weight of the press is 40 lbs. It is operated by a foot control valve and is fully safety shielded. The maker, John Bird Precision Engineering, Marlborough Road, London, N19, claims that at £48 this press is about £150 cheaper than its nearest competitor.

### Accurate flowmeter

FLUID flow in pipelines as small as one inch can be accurately measured by an insertion meter developed by Electronic Flow-Meters, 61, Cross Lanes Road, Hounslow, Middlesex.

The new meter is made of stainless steel, extremely easy to install into pipelines and is compatible with the wide range of flow indicators, recorders, totalisers and batch controllers.

The insertion flow meter is essentially a velocity measuring device. It is a free-spinning, helical multi-bladed rotor supported in a non-magnetic stainless steel

## MATERIALS

### Spray-on ceramic retardant

CERAMOSPRAY IV, a sprayed-on ceramic fibre material for insulation and fire retardant purposes, has been granted a fire certificate by the Joint Fire Research Organisation.

This means that Cascade Insulation Services, of Miffield is free to market Ceramospray IV for use as a fire protection for buildings, offices, workshops, warehouses and other areas. The company is already an approved contractor with the CEB and Ministry of Defence for other materials in the family for turbines, uptakes and steam chests.

The material has no asbestos content. It was tested to British Standards and to those of the equivalent American Society of Testing Materials. It has been afforded a two hour rating at ½ inch thickness for floors and 1½ inch thickness for beams.

The material is applied direct to steel, plaster, masonry and other rigid surfaces. Apart from its retardant value, the material has an acoustic application environmentally for people in machine shops and offices.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

## ELECTRONICS

### Sensitive flow switch

FLOW rates of less than a gallon per minute can actuate flow switch called the F811 now available in the U.K. from Perfection Paris, of 59, Union Street, London, S.E.1.

Made by Perfection in the U.S., the switch is suitable for use in liquid lines carrying water, ethylene glycol or a fluid not harmful to phosphor bronze and not classified as hazardous fluid.

Applications are likely to include water purification, as treatment systems, boost pumps; cooling systems for electronic tubes, bearings and compressors; high input boiler pre-tension systems; rapid recovery water heaters, and food waste disposal units.

## TEXTILES

### Machine knit yarn control

MACHINE knitting will benefit from a new device for measuring the length of yarn that goes into each stitch. It will be marketed by Thorn Bendix of New Bedford, Nottingham. The invention arose from a programme of research to improve knitting quality at the Hosiery and Allied Trades Research Association (HATRA).

Both home knitters and manufacturers know that a very small change in the length of yarn fed to each knitting loop will result in a change in the size of a garment. A usual method of quality control is to interrupt production to knit a waste section and then measure the actual intake of yarn by unravelling. This is a slow and tedious process and correction cannot immediately be made to the yarn feed to the machine.

The HATRA device applies small electrostatic charges to the yarn at very accurate intervals. The length of yarn can then be measured by detecting the passage of these charges as they are carried by the yarn through a measuring head. By relating the marked lengths of yarn with the predetermined number of needles, a direct reading of the loop length knitted is displayed on a meter. The adjustment can then be made to the machine while it is knitting an immediate correction is possible.

The meter is a portable instrument and can be plugged into any knitting machine that has been adapted. Total cost of the meter with the necessary adaptations is expected to be a few hundred pounds.

### Greater Peterborough

### Take land at £6,000 an acre

Could you design and build houses on it of good value and within the price range of families earning £30 to £35 a week?

We know it takes some doing. It needs skill in design and construction. It calls, too, for a sensitive balance of social and profit motives.

We are looking for entrepreneurs genuinely interested in helping us to realise our continuing ambition—to bring owner-occupation within reach of several thousand of the families coming to live in the new city who will otherwise have no real choice between renting and buying.

Our breakthrough scheme will be on a site of eight acres. It is in our first new township, where 18,000 people will live, at least half of them in houses they will buy. The site is near the town centre, where Sainsbury's first superstore is now being built.

We invite initial approaches backed by evidence of achievement in this sector of the market, or by a convincing statement of ability to perform. After studying these we'll invite several of the best to discuss ideas further.

Write with details in the first instance to Wyndham Thomas, General Manager, Peterborough Development Corporation, Peterscourt, Peterborough by 15 November 1971.

# To convert lb to kg simply multiply by 0.45359237

Or talk metrication to Avery. Now.

This is a pretty big coupon. It deals with one of the biggest tasks facing British Industry. Metrication. And particularly the metrication of weighing equipment. Before you dismiss weighing as being only a minor part of the total metrication programme, let's put it in perspective.

Virtually every industry and every process uses weighing equipment for control purposes. The majority of this equipment will need to be converted or replaced.

Programmes aimed at substantially completing metrication well before 1975 have already been announced by many industries.

How we meet your particular target date depends as much on you as on us.

So before planning your metrication date, talk to Avery. Or if it's already planned, we need to know your requirements for metric equipment or conversion soon. And this coupon will help to get your metrication programme moving today.

Company \_\_\_\_\_

Type of industry \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Name of person to contact \_\_\_\_\_

Position in company \_\_\_\_\_

Your company's metrication target date \_\_\_\_\_

Please get your secretary to clip this coupon to your letterhead or write to us direct.

# AVERY

W&T Avery Limited Smethwick, Warley, Wores.

FT29.10



# EUROPE

There's an alternative to  
your existing  
advertising agency set-up:

it's called  
**DDF**

## What is DDF?

DDF is the only organisation that has a comprehensive experience, country by country, of European markets today.

This kind of experience is not necessarily available from the branches of a London or New York agency, with perhaps a well-established office in Frankfurt and Paris, and a one-man operation in three other places.

The best knowledge must come from the major agencies native to each country in the community.

DDF is an alliance of those agencies within an international agency combine, billing over £100m.

It provides all the best national advertising and market experience in Europe. It is multi-nationally co-ordinated to put your goods in those markets.

## Advertising to meet specific local conditions

There is no imposition of across-the-board thinking, as it exists in many international agencies, for we have found it to be unprofitable to our clients and time-wasting. Each agency within

the DDF complex has a DDF executive responsible to the Board, who clarifies the objectives of the advertising and, as necessary, reformulates it to meet its local targets.

## 33 Worldwide offices 15 in Europe alone

The DDF holding company was formed in 1970 as a direct consequence of a partnership that already existed between member agencies, in some cases for more than a decade. Among our clients are 17 of Europe's 100 largest corporations listed in Vision Magazine.

### The autonomous National Agencies in DDF Europe:

London	Dorland	01-262 5077
London	Crawford	01-723 3227
Berlin	Dorland	211 90 71
Munich	Dorland	47 50 80
Dusseldorf	Dorland	8 40 11
Vienna	Dorland	52 59 57
Milan	Dorland	48 39 07
Amsterdam	Bouman DDF	22 92 92
Leeuwarden	Bouman DDF	05 100 21241
Copenhagen	Dea DDF	15 04 45
Brussels	Mens Conseils DDF	48 81 67
Madrid	Publinova DDF	253 24 00
Paris	Moors et Warot DDF	532 41 49
Berne	Hans Beat Grimm DDF	25 43 11
Zurich	Hans Beat Grimm DDF	32 30 48

In addition to the European offices listed below, the DDF complex comprises Dancer Fitzgerald Sample, Inc. in the USA and Canada, and Fortune Pty. Ltd. with offices throughout Australia and the Far East.

## The DDF 30-day evaluating system

There is no better way to evaluate performance than by actually seeing it in action, first hand for yourself, and since any decision to change your present advertising plans is not to be taken lightly, DDF has formulated a special plan that allows you to "put a toe in the bathwater". We have in the past demonstrated our thinking within 30 days of receiving a brief from our clients: if you are a European advertiser, we would like an opportunity to do exactly that for you. There will be no fee.

Alternatively, you may prefer to meet us informally. Please contact Michael Hanks or Julian Potter for an appointment.

Or write DDF, 121-141 Westbourne Terrace, London W2.6JR.

Telex 27674. Telephone 01-262 5077.

**DDF**  
DFS DORLAND FORTUNE INTERNATIONAL



New Issue

This Advertisement appears as a matter of record only.

28th October 1971

# BANCO NACIONAL DE OBRAS Y SERVICIOS PUBLICOS, S.A. MEXICO, D.F.

DM 100,000,000

8% Bearer Bonds of 1971/1986

— Securities Index No. 435 041 —

Offering price: 98 1/2%  
Interest: 8 1/2% p. a., payable semi-annually  
Repayment: after 5 years free of redemption in 10 annual instalments through a Redemption Fund or through drawings by lot at par

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AKTIENGESellschaftN. M. ROTHSCHILD & SONS  
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BANQUE DE NEUFILZ, SCHLUMBERGER,  
MALLET

BANQUE DE PARIS ET DES PAYS-BAS

BANQUE DE SUEZ ET DE L'UNION  
DES MINES

BANQUE DE L'UNION EUROPEENNE

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LUXEMBOURG S.A.

BANQUE LAMBERT S.C.S.

BANQUE NATIONALE DE PARIS

BANQUE POPULAIRE SUISSE  
(UNDERWRITERS) S.A.

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eGmbHWHITE, WELD & CO.  
LIMITEDWOOD GUNDY  
LIMITED

## Management accountants in short supply

BY ELSBETH GANGLIN

OPPORTUNITIES for graduates involved deal with business and school leavers with good A levels in management accounting, are good, according to the Institute of Cost and Works Accountants. "There is such a shortage that every candidate could get the promise of a job," I was told yesterday.

Certainly, demand for accountants has held up this year while that for other executives reached rock bottom, as the MSL Index for the third quarter, reported on the Executive's World page in today's Financial Times, proves.

Dr. James Risk, president of the Institute, which intends to do away with the word "works" in the title and put "management" in its place, said the U.K. could do with twice as many fully trained management accountants.

There was a career, "first-class in material rewards and personal satisfaction," available through membership of the Institute.

It has some 11,000 full members (membership is by examination only) and 28,000 registered students, less than half of whom are expected to pass. Claiming to be the "only examining body" in the field of management and cost accounting, the Institute holds exams twice a year. The whole syllabus of examinations, revised this year, covers five parts, in as many years.

The 18 papers and 49 hours

### LEYLAND RECORD AT COVENTRY

British Leyland truck and bus division yesterday announced a record output of bus chassis from the Daimler plant at Coventry during the year ended September 30.

The plant produced 1,060 vehicles—worth more than £3m.—which was a 28 per cent. increase on last year's output.

## Further rise in issue of £ certificate

THE VOLUME of sterling certificates of deposit in issue rose sharply in September, by £165.6m. to £1,778.2m., according to figures released by the Bank of England. This follows an increase of £101m. in August.

The main expansion last month came in certificates with at least three months but less than six months to run, where there was an increase of £110.5m. to £242.2m.

Holdings in the secondary market were up by £39.3m. to £406.3m. Purchases by secondary dealers totalled £150.9m. from issuing banks and £206.5m. from others, while they held maturities of £27.7m.

Issues of London dollar certificates of deposit outstanding fell £73m. to £4.233m. in September. Holdings of the certificates in the secondary market decreased by £22.6m. to £150.5m. Secondary market purchases during the month came to \$35.7m., and sales to \$345.8m., while the market held \$21.7m. of maturities.

### NEW FACTORY FOR HOMEWORTHY

A new factory was opened by bedroom furniture manufacturer Homeworthy on the North Elyton Industrial Estate, Sunderland, yesterday. An extension is already planned.

Initially 75 people are employed but it is hoped to raise this to 500.

## Vehicle and General Tribunal of Inquiry

# Counsel praises witnesses in winding-up speech

THE PRIME early intention of the Vehicle and General Insurance Company was to achieve growth, Mr. John Arnold, QC, claimed yesterday.

Mr. Arnold, counsel for the Tribunal, was making his final speech to the Tribunal investigating the supervisory role of the Department of Trade and Industry in the years leading to the company's collapse.

Dealing with the question of whether V & G was different from other companies and the part this played in the department's approach he said there was little doubt that the company aimed at a degree of selectivity by their policy of rating. The evidence was absolutely clear that there was no physical exclusion of V & G's brokers were never instructed to write less selective risks.

### Muddle

On re-insurance and the question of low retention, Mr. Arnold said that on the 1964 account the Department thought recoveries included reinsurance recoveries.

If that was what they thought, they must have thought the "outstandings" were gross of the excess about that retention. Otherwise they would have thought the company was deducting from "outstandings," net to the re-insured excess, the recoveries under that reinsurance.

"What sort of muddle were they in?" he asked. "We say no serious supervisor trying to do his job carefully could possibly have rejected the evidence, such as it was, of under-provision on the basis of the favourable effect of low retention without knowing or inquiring about the amount of premium the reinsurance was costing, and the experience of the reinsurers."

"If they did not know what the reinsurance was costing they could not have done the liability side of the Section 13 exercise completely. That is another reason for asking about the reinsurance premium."

Referring to the evidence given by the Department's witnesses,

Mr. Arnold said the Tribunal might think Mr. Knight, a principal, was an excellent witness. He was perfectly clear, and out to help.

"He attempted to mask nothing, you could not fault him as a witness," Mr. Nail, a chief executive officer, was an absolutely genuine witness but he tended to mask the issue.

Mr. Arnold said that for Mr. Jardine, the Under-Secretary in charge of the insurance and companies division of the DTI, the enquiry must have been extremely disagreeable. After a long career in the civil service, he had now passed retiring age and this was one of the closing scenes in his career.

Mr. Arnold added: "He came into this enquiry absolutely determined to tell you the whole truth." He was in the witness box for about four days and never obtained either a proper valuation of the Liverpool and County shares from an outside broker or, at any rate, obtained the raw material on which they could make their own valuation. They did not do this.

The third thing they had failed to do was to obtain, although they had asked for it, information about the very large agents' balances which, at this stage, were 29 per cent. of the total assets of the company.

Mr. Arnold told the Tribunal that V & G's 1966 accounts were accepted by the Department on April 23, 1968. Between July 1968 and April 1968 the insurance company record had been rather unhappy. There had been a considerable number of failures and cases in which inspections had to be undertaken.

### Right

The Tribunal was concerned for 1962 with Mr. Homewood and Mr. Nail. A run-off statement was asked for and his submission was that at the relevant level of administration it was rightly asked for.

It would have been wrong not to have asked for it, because no real conclusion about V & G's situation, to enable the Department to know a solvency margin was there, could have been made without the statement.

## High prices for top class clarets

BY EDMUND PENNING-ROWSELL

Christie's first important wine sale this season yesterday demonstrated the hold of the '61 on claret drinkers' imaginations, though not, one must hope, on their palates, as this 10-year-old exceptional vintage is surely still one to keep rather than to drink. The highest price yesterday for a '61 was a record £155 a dozen for Mouton Rothschild, while Ch. Margaux '61 magnums made £130, as did bottles of Latour '61. Haut Brion '61 went for £110.

### Gulf

These latter three prices, while not records, were certainly high, and it was not only the '61 leaders which made high prices. The Gulf between these and other classed growths is now so great that a record price of £78 for Palmer '61 may not sound enormous, but £6.50 for a bottle of third-growth claret is not inconsiderable.

Record prices for this vintage were also registered for Pichon Longueville Baron (£46), Leboyre Barton (£44), Gruaud Larose (£42), Leboyre Las Cases (£41) and Brane Cantenac (£41), while magnums of Figeac Gazin '61 each made new top prices of £82 a case.

The prices of these still, generally, unready wines made those of some of the more mature vintages of the 1950s seem more reasonable. For example the '59 of Latour and Haut Brion went for £30 to £34 and £72 to £78 respectively. Ch. Margaux '59 made £78, though magnums of Lafite touched £125.

If the '61 clarets broadly showed the greatest advance yesterday, the highest were reserved for older wines. In view of the £2,200 paid at Sotheby's earlier this month for a Jeroboam of Mouton Rothschild '29, £310 a case for bottles and £50 apiece for four magnums of this vintage may not look out of the way.

The Jeroboam price can hardly be considered as typical, but otherwise these were record prices for Mouton '29. So was £210 per case of magnums of Ausone '34.

Perhaps even more remarkable were the record prices paid for some of top growth '45, led by Mouton Rothschild which fetched £240—a very high figure for a wine by no means rare in these sales. Lafite also made a new

record at £200, while a mixed case of Lafite and Haut Brion '45 went for £180.

### Bargain

As usual other wines were overshadowed by the claret, but Yquem '49 had a new top price at £105 and Yquem '45 reached £120, though a bargain in burundy for those few prepared to chance their luck. But La Tache '45 at £165 achieved a new record.

So too, on a different level, did '45 at £65. Some interesting parcels of 19th century port went as high as £34 for a lot of single bottles of Cockburn '75 and '84, and Martinez and Sandeman '96. The total, in a not very large sale, was £24,595.



## The Felixstowe Dock & Railway Company

### RECORD PROFITS AND INCREASED DIVIDEND

The Annual General Meeting of the Company was held at Felixstowe on 28th October. The following are extracts from the Accounts and Statement by the Chairman, Mr. E. GORDON PARKER.

The group profit for the year of £539,583 is not only considerably in excess of the previous year but is some 22% greater than the previous best year in 1968/1969.

During the year the rating assessments have been settled and, although the agreed figures were not perhaps entirely at the level we would have desired they have resulted in a much reduced charge in the year under review, together with an additional credit to General Reserve in respect of the previous year's assessment.

An Order made by the Secretary of State for the Environment, known as the Docks and Harbours (Valuation) Order 1971, came into force in April of this year. This simplifies the assessment of future liabilities in this regard.

The national dock strike in July 1970 as I forecast in my statement last year, did have considerable effect upon the revenue; as did likewise the general falling off in trade during the early months of 1971. I am happy to report that since that period the traffic generally has flowed reasonably well. Our Subsidiary Company, Felixstowe Tank Developments Limited, did not have as good a year as was hoped. Almost immediately after the Annual General Meeting last year, the main tanker berth was severely damaged by a vessel and was not usable until August last. Although the Company and its Subsidiary did everything possible to mitigate any loss of trade some reduction was inevitable. The berth is now in full operation, and the costs of repairs together with the consequential loss of revenues are being agreed and full compensation is expected. In February 1971 the Company agreed to purchase some 60 acres of land from the Ministry of Defence, albeit at a price considerably in excess of that hoped for. This land, however, was potentially essential in order to provide the areas necessary for the efficient servicing of the container trade both now and in the future. It is in process of development and to date a considerable area has been surfaced and prepared for the storage of containers in transit. It is in this area where, during the ensuing year, we shall construct the new Freighter Terminal.

New services have been inaugurated, both during the year under review and since, and it is not unreasonable to assume that entry into the Common Market will lead to further business in this harbour, for which trade we must be prepared.

Our plans for development north and south of the present installations were finally approved, and tenders for the works have been invited.

In conclusion, we trust you may consider the Company's progress in this year to be satisfactory and that you will extend your support to our future developments.

YEAR ENDED 30th JUNE	1971	1970
Trading Surplus	£1,094,187	£856,296
Surplus for Appropriation (before tax equalisation and other provisions)	£533,626	£337,664
Dividends:		
Interim of 3.5% (Gross)	£191,505	£168,975
And Final of 5% (Gross)	2,226,307	2,245,085
Total cargo handled (tons)	94,619	95,772
Number of containers handled		

We are pleased to announce the appointment of  
**William G. McDougall**  
Vice President and  
Manager of  
the London Office  
**Shearson, Hammill and Co.**  
Incorporated  
October 26th, 1971

مكتبة من الكتب







**‘To-day is not an end, it is the beginning . . .’**

# Labour Government would not accept terms—Wilson

# Industry 'can make best of opportunity'

any special measure of change  
to Parliament."

## Assurances on balance of payments

Heath 'should get up in Concorde'

any special measure of change  
to Parliament."

Long occur of the kind which have given rise to their inquiries and they hope the publicity the incidents have attracted will bring home to those who own or employ dogs the importance of proper safeguards.

three any special measure of course  
to Parliament."



# Lynch takes harder line on Northern Ireland

BY DOMINICK J. COYLE

DUBLIN, Oct. 28.

HERE IS now a very perceptible hardening in the elected representatives of the Government's attitude towards Northern Ireland and to British policy in the province which in the view of Ministers and officials here, is confined almost entirely to military measures and without any obvious political initiatives towards peace.

The Government has, it is understood, not yet finally decided on how this changed attitude is to be put into effect, but a number of diplomatic avenues are being studied, including an early approach to the European Commission on Human Rights for a formal investigation into allegations of brutality by members of the security forces in the North.

A second step, already hinted at by Mr. Lynch, the Prime Minister, would entail acquainting the UN in New York about any further incursions into the territory of the Republic by British troops operating along the border. The Government claims that 40 such incursions—some of them held here to have been deliberate, as against accidental crossings—have taken place since August, 1969.

Thirdly, it remains the Government's firm view that a further meeting between Mr. Lynch and Mr. Heath, as envisaged following last month's talks at Chequers, would be of no use without an advance commitment by Whitehall that Britain intends to have the present Stormont Government structure dismantled and replaced by a new form of

administration directly involving the elected representatives of the northern minority.

Mr. Lynch has yet to make a detailed comment on the tentative proposals for Parliamentary reform in Northern Ireland—published earlier this week by Stormont, but the Dublin Government is known to hold the view that these suggestions are largely irrelevant in present circumstances.

## Cynical move

The Government continues to support fully the Social Democratic and the Nationalists who have withdrawn from Stormont, and Ministers insist that there can be no meaningful political solution to the Ulster crisis until these MPs and Senators are involved directly in the process of administration.

Mr. Faulkner's move to bring Dr. G. B. Newe, a leading Roman Catholic, into his Government is seen in Dublin as a rather cynical exercise in political manoeuvring designed to undermine the status of the abstentionist MPs and Senators by suggesting that they are not the real representatives of the northern minority.

One official here told me: "Faulkner is seeking around for some 'Castle Catholics'—an oblique reference to Stormont Catholic, seat of the Stormont Government—but it is not going to work. The SDLP and the Nationalist MPs represent the

minority, and there can be no solution which is not acceptable to them and which can not be endorsed by the Government down here."

Meanwhile, the Department for External Affairs is continuing to build up a dossier on alleged torture by the security forces in the North, and this evidence will form the basis of any application to the European Commission on Human Rights. Such an application is, in fact, likely to be made within the next two weeks or so.

An appeal to the Council of Europe will find partisan support here. Mr. Richie Ryan, the main Opposition spokesman on foreign affairs, told the Council's legal affairs committee earlier this month that internment and other acts in the North had put a severe strain on Anglo-Irish relations and had caused us all to question Britain's good faith.

Certainly, all three parties in the Dail (Parliament) are now placing the full onus for a political settlement in Northern Ireland directly on the British Government. To the extent that they claim to see no realistic political initiatives coming from Whitehall, it can safely be assumed that the Government itself will be less than enthusiastic about further tightening of border area security on its side of the partition line.

Mr. Lynch's previous emphasis on quiet diplomacy with Britain, reflected in the last two Chequers meetings, as a means to peace in the North, found considerable opposition within his own Fianna Fail Party. His new tougher attitude to the crisis, which is fully supported by Dr. P. J. Hillery, the External Affairs Minister, brings him back more into line with the vast majority of his party colleagues, other than the handful of hard-line dissidents.

## Felixstowe Dock's loss of U.S. trade offset

By Our Own Correspondent

FELIXSTOWE, Oct. 28. FELIXSTOWE Dock and Railway Company is succeeding in its bid to cushion the effect of the American longshoremen's dispute on the port's traffic, the company's annual meeting was told here today.

Except for military cargo, virtually all U.S. container trade, which normally accounts for 40 to 50 per cent. of total traffic, has been suspended. The blow is being softened, however, by business for which no room could previously be found.

The United States Lines' ship, Pioneer Moon (8,237-ton gross), arrived at the container terminal to load trucks for United Nations relief work in East Pakistan. When she sailed last night for Chittagong her place was taken by the Japanese ship, Mei-yu Maru (18,144-ton gross), which will load 1,900 cars for Montreal.

The chairman, Mr. H. Gordon Packer, said about the port's £5m. development project, said it might be that some of the company's future revenue that might otherwise have been used to pay dividends would be used, instead, to service a £4m. Government loan.

Once the project was completed, however, shareholders would be fully compensated for the trust they had placed in the company. The developments were justified by potential traffic and, in the long run, would not impair the company's ability to pay a decent dividend.

## Ford record deliveries forecast

FORD of Britain will be setting new records for its car deliveries to dealers in November and December, Mr. Ron Platt, Ford director of car sales, announced at the 1971 International London Motor Show yesterday.

Schedules show an increase of almost 50 per cent. over the previous record deliveries for November and December made in 1969.

"We have had one-third more inquiries than ever before at the show and such has been the interest in our model range that additional staff has been directed to the show to handle the inquiries to our dealers," he said.

"Fleet owners have shown a particular interest in the Cortina and Escort and we are confident that next year we shall regain our traditional share of the market."

## REPORT FROM SCOTLAND

BY ANDREW HARGRAVE

# EEC entry magnifies need for new incentives

HUNTERSTON is in the news again, both as a symbol of resource-based development and a practical proposition for major investment. Last week's second "Oceanspan" report, now subtitled "European" to fit in with the entry into the EEC, was followed by the commissioning of a major study (backed jointly by the Scottish Office and a private company) into the deep-water potential of Hunterston.

It is worth noting, though, that after four years of talking, several minor studies, scores of television and radio programmes and literally thousands of newspaper and magazine articles as well as a public inquiry lasting nearly four months, all we have is a few hundred acres of coastal land zoned for industry—and no takers so far.

North Sea oil is held out as the other symbol of Scotland's future prosperity. It is based on somewhat more solid factors: the oil is there, with British Petroleum planning a giant pipeline to take it ashore and thence to its Grangemouth refinery. A fair number of companies serving the industry have been set up or moved into the Aberdeen area and are already employing around 700 people. A project to build large drilling platforms at Invergordon might yield even more jobs. Pipe manufacturing may save jobs in a Lanarkshire tube works. With other oil companies also hoping for major strikes, the spin-off is likely to be substantial.

One must warn, however, that this spin-off is likely to be concentrated in North-East Scotland, with little benefit to the central industrial belt, the most populous and also economically worst-hit area of Scotland. Apart from steadily rising unemployment and redundancies, there is a prospect of further job losses in contracting engineering and automating industries. If, as Scottish business men believe, any economic growth will result in taking up slack and then in investment in plant and machinery and then—and only then—in hiring extra labour, the need for really powerful regional stimulus becomes apparent.

Tuesday's intellectually barren debate in the Commons on the regional effect of Common Market entry gave no clue as to the content of such a new stimulus. One must therefore turn to the initial reaction in devising a new regional "package" which will not put Scotland and other development areas at a further disadvantage in an enlarged EEC.

Dr. William Robertson, executive vice-president of the Scottish Council (Development and Industry) which was responsible for the Oceanspan studies, has lived with the problem for a quarter of a century. In his view, apart from a few brief years after the Second World War when the shortage of manpower and materials virtually forced industrial expansion into the development areas, Britain has never had a coherent regional development policy.

One of the reasons for the absence of such a policy is the curious lack of regional studies in a U.K. context. There has certainly not been one of any significance since the 1900s. The Glasgow Chamber, the Glasgow Hill Report—and that was published ten years ago. Despite its enthusiasm for Europe, the Government has not so far produced any comparative study of regional incentives in Britain and the EEC countries.

Among some Scottish businessmen and economists the view is gaining ground that the major threat to development areas contained in EEC entry is that the abolition of existing incentives, which have been offered in competitive with those offered in Europe. In this context recent proposals from the Scottish CBI, Glasgow Chamber of Commerce and the Scottish TUC, among others, deserve consideration.

The Chamber's proposals are that the Government should offer a "package" of incentives to those offered in Europe. In this context recent proposals from the Scottish CBI, Glasgow Chamber of Commerce and the Scottish TUC, among others, deserve consideration.

There are some, including Dr. Robertson, who argue that even a more competitive regional "package" would not by itself be the whole answer. After all, in spite of major statutory investment in Italy's Mezzogiorno, the gap in growth rates has if anything widened.

So one comes back to integrating regional development policy with global planning, as it is, for instance, in France and in the Netherlands. It is in this context that always provided that "willingness" is proved—that European, and within it Hunterston, begin to make sense.

It would, of course, be a major one-off enterprise with investment on a scale never attempted in Britain before, as part of a regional effort. The Scottish Council's estimate suggests investment ranging from £1,400m. to £2,200m. over a 10- to 15-year period.

At the Conservative Party Conference earlier this month, Mr. John Davies, Secretary for Trade and Industry, hinted at a

departmental study of regional incentives. It seems, however, that the Government is still, in its attitude to regional aid, to short-term profits: had this been the only motive force elsewhere some great projects of the century, including Europort at Rotterdam, would never have materialised.

It may be argued that large capital-intensive projects would not necessarily yield large numbers of jobs: it was one of the arguments which has led to the rejection of the Chevron Oil refinery project for an oil refinery at Grangemouth, has no oil refinery and petrochemical complex at Grangemouth, has no oil refinery and petrochemical complex at Grangemouth, has no oil refinery and petrochemical complex at Grangemouth.

A single exercise, even on the scale of Oceanspan would not of course solve the troubles of other Scottish areas, such as the City of Dundee, whose plight is comparable only to Glasgow's. Within a regional "package" there would also have to be refinements to apply to special cases.

One could not expect a large-scale exercise such as the Dundee Development Corporation to operate a diverse regional development policy of this sort. The Scottish Office as constituted at present is not geared to cope either and unless it is reformed—and this would have to be part of parliamentary reform in the U.K. as a whole—the case for a development authority, along the lines suggested by the Scottish Council and Trade Union Congress would seem to be an attractive alternative.

It would of course have to have considerable funds at its disposal, risk capital and a certain freedom from day-to-day Treasury scrutiny and approval. When one considers the way regional incentives are operated in the EEC, one is struck not only by their variety and flexibility but also by the way they are varied by regional agencies in accordance with specific regional needs.

Such an arrangement would of course assume a considerable degree of devolution in economic decision making, one which neither British Government, Conservative or Labour, has so far been prepared even to consider. Britain's entry into Europe makes devolution more urgent and essential; otherwise the future, besides ill for "peripheral areas" such as Scotland.

## Mid-Wales plea for help to halt depopulation

BY OUR OWN CORRESPONDENT

CARDIFF, Oct. 28.

A NEW initiative is needed to stem the depopulation of the five counties of mid-Wales, according to the Mid-Wales Development Association in its annual report published today.

Growth-town policy is being pursued in seven towns—Aberystwyth, Bala, Brecon, Llandrindod Wells, Rhayader, Welshpool and Newtown. But because of the proposed size of Newtown—to be increased from a population of 5,500 to 11,000 by the 1980s—other strategically placed towns, it is urged, should be expanded.

If growth towns are to achieve expansion more rapidly, they will need some special form of financial assistance and the Association looks on the Development Corporation, which was formed to revitalise mid-Wales, as an

valuable channel for public investment.

A substantial fall has taken place in the past year in the generation of new industrial jobs, but, contrary to some forecasts, the difficult economic conditions have not caused the wholesale closure of concerns which have recently established in mid-Wales.

The association suggests that the area would be greatly helped by the provision of new office employment or research establishments in which the Government might help by the dispersal of its own departments. In the same way, as advanced factories have been built to attract industries in selected areas, advanced offices should be provided as a means of attracting employers, the Association suggests.

## Gas price rise of near 5% for North-West

A GAS price rise of nearly 5 per cent. for the North-West was approved at Manchester yesterday by the region's Gas Consultative Council. The increase—to take effect after the first reading of meters next year—will mean 25p to 30p a month more for consumers with gas central heating.

The North-Western Gas Board last increased prices in January. During the last financial year it made a loss of £1,250,000, a figure which may be more this year, said the board's chairman, Mr. William Hodgkinson.

The rise, he added, would cost a pensioner with a gas fire about 6p per week.

## Scope for bank loans still high

BY MICHAEL BLANDEN

THE LATEST figures of deposits and lending by the clearing banks, due to be published at the beginning of next week, are expected to show that the London banks still have substantial spare lending capacity. The figures will cover the first month of the new era of competition in banking, since the ceiling controls on lending were removed with the introduction of the new forms of credit control in the middle of last month.

Besides the normal statistics, details of the new totals and ratios demanded under the reformed credit control techniques. These include the totals of the banks' eligible liabilities, their reserve assets, and their reserve ratios.

### Ratios up

In spite of the efforts made by the banks to increase their lending, their reserve ratios may show a further increase from the figure of about 16 per cent. at which they stood in mid-September, after the banks had subscribed to the special issues of Government stock. Barclays, for example, reckons that it now stands on a reserve ratio not far short of 18 per cent., compared with the minimum of 12 per cent. they have shown in recent months. But in spite of the banks' efforts, the industrial and commercial sector is still hesitant in coming forward for larger borrowings.

The changes made since the beginning of this month have hardly had time to have any

significant impact on the figures. Barclays claims that its initiative nearly a fortnight ago in cutting its lending rates by 1 per cent. has had a noticeable effect on its customers. The bank has no doubt that it has gained extra lending business as a result, particularly from the larger companies which maintain accounts with more than one bank and have been inclined to switch their business to take advantage of Barclays' lower rates. On the other side of the coin, the parallel drop in the Barclays deposit rate, to 2½ per cent., has had only a relatively small result in the form of lost deposits, more than offset by the generally rising trend of deposits.

At Midland Bank, where the decision was taken to offer rather higher interest rates on deposits of above £10,000 at the beginning of the month, the bank reports that the move has aroused some considerable interest.

Neither development, however, has had time to make its full impact, and in particular will hardly show up in next week's figures, which were made up on Wednesday last week.

The underlying trend of lending appears to have changed little. Loans to the personal sector have maintained the strength they have shown in recent months. But in spite of the banks' efforts, the industrial and commercial sector is still hesitant in coming forward for larger borrowings.

## Esso plans to raise \$100m.

BY WILLIAM LOW

A TRIPLE A borrower that Euro-bond investors have been eagerly awaiting has announced plans to raise \$100m. on the international capital market. Esso Overseas Finance, a subsidiary of Standard Oil Company (New Jersey), will issue \$50m. of 15-year bonds and a similar amount of five year notes.

A spokesman for Morgan and Co International, which is managing the two-tranche offering, said: "If we were pricing now the long term bonds would carry a coupon of 8½ per cent. and the notes one of 7½ per cent."

The spokesman's care in selecting his words is explained by the fact that long term interest rates are moving down sharply while the two issues are not due to be priced until November 9. Should the decline continue, it is possible that the Esso interest rates will be reduced. This happened with

an Esso offering in September last year.

At the moment the Eurodollar bond market is in a very strong position and the Esso issues should attract a very heavy response. However, there are now over \$230m. of loans on offer, which is a lot even for a buoyant Eurobond market to absorb. Esso raised a total of \$100m. by way of two-tranche offering last March and \$50m. in September, 1970.

## SCOTTISH TRUSTEE SAVINGS BANKS

New amounts collected for National Savings during 1970 by Trustee Savings Banks in Scotland amounted to £362m., which represents 87 per cent. of the total Scottish National Savings of £416m.

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# Highlands and Islands

FINANCIAL  
TIMES  
SURVEY

## Aim is to attract industry

By ANDREW HARGRAVE, Scottish Correspondent

The Highlands and Islands, perhaps surprisingly for what is generally regarded as a rather "unlucky" region, have been rarely touched by the recession which is creating such a havoc in the industrial Central Belt of Scotland. In the first nine months of this year, both the number of projects and the financial help given have risen compared with the same period in 1970; and while the number of expected jobs have fallen slightly, this is believed to be due to the nature of the projects—and, of course, inflation.

### Renewed interest

While five of the seven-man Highlands and Islands Development Board were changed a year ago, including the chairman (Sir Andrew Gilchrist replacing Sir Robert Grieve), the policy raising the manufacturing content of the region's economic life combined with a vigorous drive to exploit its natural resources has remained virtually unaltered. One might detect a little more frugality in providing loans and grants, possibly to avoid the kind of failures which greeted the reconstitution of the Board; but this, according to Sir Andrew, is due more to the board's growing expertise in "vetting" projects than any deliberate wish to cut back on development.

The phrase of the Board being "a merchant bank with a social purpose" has been coined by Sir Andrew but it could have been applied years before his arrival.

The most promising development of the past year in the Highlands has certainly been the oil discoveries in the North

Sea which have given a new dimension to job opportunities in the central growth point of the Highlands, the Moray Firth area.

It is a fortuitous bonanza, of course, which has nothing to do with planning, the attraction of industry or the development of local resources by local effort. Nevertheless, as the spin-off is likely to be substantial, the Board is certain to be involved, as are the local authorities.

The first such by-product of the oil search is the recently announced intention of Brown and Root (U.K.) to build large drilling platforms at Nigg Bay, near Invergordon. It will mean anything from 15 to 20 years, with the possibility of attracting suppliers to the area and providing sub-contract work for local companies. The Board's presence at the Oceanex Exhibition at Great Yarmouth was certainly no accident.

One can also visualise renewed interest in the still under-utilised deep water port at Invergordon—the British Aluminium's smelter at Invergordon, now on stream, is taking up but a proportion of its capacity—as well as a revival of the petrochemical project, though possibly not by Grampian Chemicals whose ambitious plans for a £100m. enterprise appear to have been shelved.

The Board itself is pushing ahead with its mineral exploration ventures, from uranium to feldspar. An exciting possibility

could be quartzite, a mineral used in alloy steel, of which large quantities have been known to exist at Loch Eriboll, in the North-Western Highlands, for some time. Changing

the building up of the fishing fleet alone. Expenditure on processing as well as boat-building, another major aspect of the revival of the industry in the Highlands, comes under

Should this happen, the fishermen would like the U.K. negotiators to press for other types of protection, notably the size of boats and, possibly, the mesh of nets. A limitation of boat sizes to 80 feet would keep the bulk of the Norwegian fleet (the main danger to the Shetland fishermen) from the island coast; but then Norway itself is keen to maintain fishing limits, so this eventuality may not arise.

### PROJECTS AND JOBS (First nine months of year)

	1970	1971
Number of projects	221	234
Financial assistance (£'000)	964.5	1,686.4
Number of jobs	893	768

### APPLICATIONS APPROVED AND MONEY SPENT December, 1965, to October, 1971

	No.	Loan (£'000)	Grant (£'000)
Tourism, catering and transport	458	1,077.2	1,525.9
Manufacturing and processing	360	2,033.9	1,077.4
Others	223	672.2	311.4
Fisheries	290	1,520.1	301.4
Agriculture and horticulture	82	512.2	57.3
Non-economic	205	—	206.9
<b>TOTAL</b>	<b>1,658</b>	<b>5,815.6</b>	<b>3,480.3</b>

technology and improved transport may be the key to tapping this so far unused mineral.

Another major effort has gone into nurturing those other resources which have for centuries been the mainstay of the Highland economy. It is these resources—fishing, agriculture, forestry—whose protection has become such an emotional flash-point in the debate over Common Market entry.

The revival of the Highlands fishing fleet, particularly in the Western Isles, and the thriving fish processing industry in Shetland owes much to financial help from the Board, which has spent more than £18m. since it was set up at the end of 1965

the heading of manufacturing, which has received £3.1m. about a third of the Board's total expenditure, since the outset.

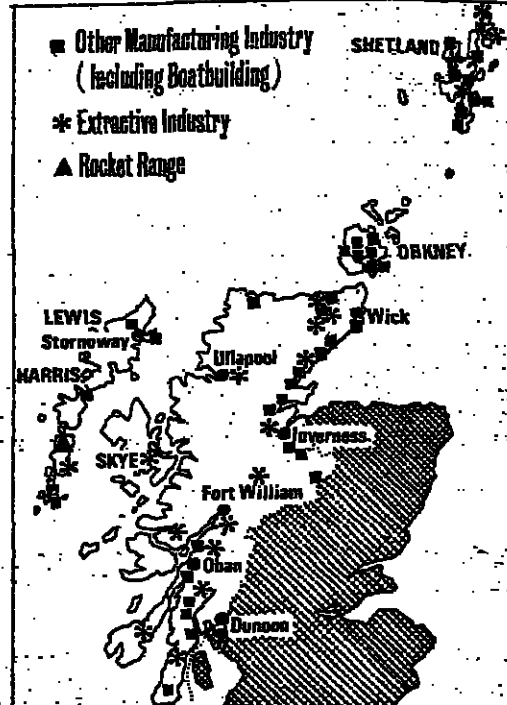
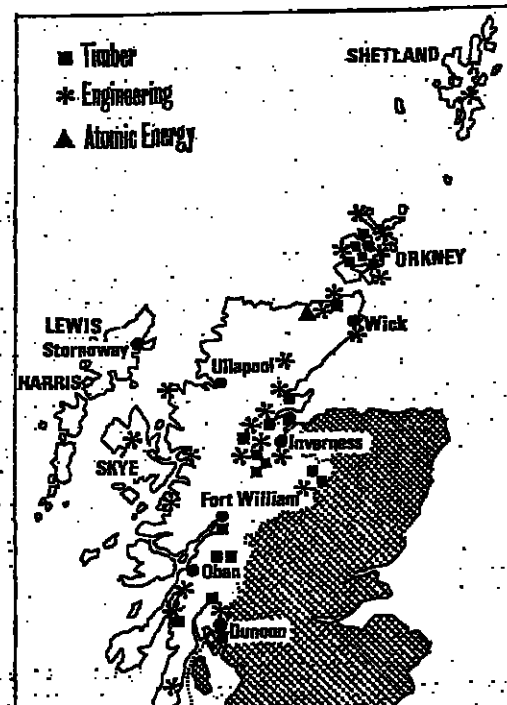
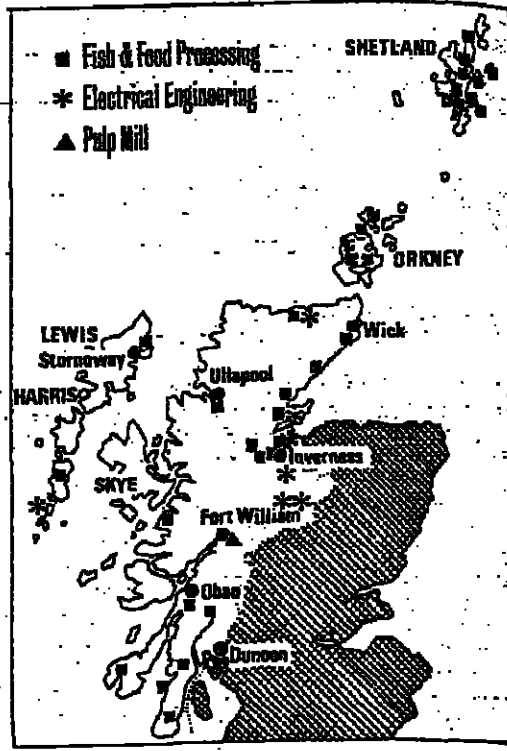
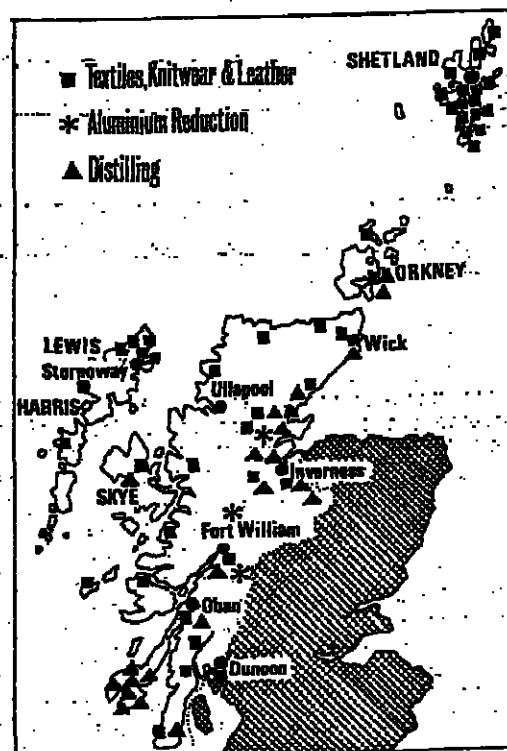
Fishing limits, still to be clarified after Britain joins the EEC, are of vital interest to the fleet. A six-mile limit, which now seems to be the negotiating stance for U.K. representatives, would protect most of the coastline around the Highland area, but not around the islands of Orkney and Shetland. Fishing and processing are a major segment of the Shetland economy, hampered only by shortage of fish which, of course, could become acute if the 12-mile limit were reduced.

### Pollution worry

Another unresolved problem is that of operational subsidies, an important part of fishermen's income in lean times, as well as boat-building subsidies. Yet another cloud on the horizon, this time unconnected with EEC entry, is possible pollution from oil rigs, tankers and pipelines. Meanwhile, however, the industry is having a reasonably prosperous time.

The fear of Highland farmers of EEC entry is largely confined to the marginal, hill-farming and (about one-sixth of the total output) and to horticulture. Wool is a significant item in the hill-farmers' existence, but it is a highly subsidised one which would suffer and possibly disappear altogether if EEC rules made subsidies illegal. On the other hand, the fertile uplands, the plains of the Moray Firth and Caithness and the prosperous and efficient cattle rearing of Orkney (both beef and dairy) are likely to be outright "winners" when Britain enters the EEC.

The horticultural industry is sharply divided about the benefits and disadvantages: soft



fruit is expected to do well while tomato growing may vanish altogether. As for the food processing industry itself, it is on the whole "raring to go."

Manufacturing industry which, as already indicated, has had a major share of the Board's expenditure as well as promotion effort, is still very much in the forefront of activities. (Employment in manufacturing in the Highlands is still only one-third the national average.) The campaign launched a year ago has been retarded by the economic recession and the scarcity of U.K. companies willing to invest and move; but it is being revived to try to encourage indigenous industry, both old and new, to expand. New

industrial estates have been set up and, the Board hopes, infrastructural improvements will support industrial growth when expansion in Britain as a whole resumes. These improvements include roads, transport as well as industrial training: in this last category is the course being run for female textile workers at Stornoway, on the Isle of Lewis, one of the Highlands' unemployment black spots.

### Revived campaign

The Board is also contributing to the revived campaign by Inverness Town Council to site a university in the Highlands. In the next five years, it is believed, decisions will be made

for the establishment of new foundations: one in the Inverness area would, according to a consultancy study, result in major benefits for the Highlands as a whole.

Apart from about 500-600 people directly employed at the university, it would also improve cultural facilities, including entertainment, boost further restaurants, cafes and hotels (the tourist industry has been second largest recipient of Board funds after manufacturing); necessitate extra shops, road, rail and air services; and increase the currently low proportion of professional employment.

Continued on next page

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## Industry—(Cont'd.)

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## HIGHLANDS AND ISLANDS III

# Rapid expansion planned for the Cromarty Firth

By a Correspondent

By the year 1980 it is more than likely that the area surrounding the Cromarty Firth will have a population of more than twice its present size. It is likely that a series of prosperous and bustling villages and towns will spring up. These will be based for the most part on the existing settlements of Tain, Invergordon, Alness and Evanton. There will, of course, be expansion of other communities slightly further from the major industrial area east of Invergordon. These communities will be linked by a first-class road system and will be connected to Inverness, the Highland capital, by a new trunk road which is exciting in concept. This road will cross the Cromarty Firth by a causeway and the Beaulieu Firth by a high-level bridge.

## Rural city

Thus, the Cromarty Firth can begin to fulfil its role as an important part of the Moray Firth Development Area. This area has been seen for some years now as a superb location for large-scale development in the context of the whole of the Highlands.

The opportunity to create what will amount to a rural city

The attraction of industry of all kinds to this area is seen as the way to make a better way of life possible for the people of the region who so frequently had to emigrate to find job fulfilment and for those people who will choose to move into this most agreeable part of Britain to make a new life for themselves and their families.

The industrial growth has, of course, begun. The British Aluminium Company's reduction works at Invergordon is now on stream and Brown and Root (U.K.) Ltd. have applied for planning permission to construct offshore structures on a site bordering the Cromarty Firth. This application heralds the beginnings of the development of industry based on what is now being recognised as a major oilfield—the North Sea.

## Start afresh

In this area, which has been, up to now, an industrially virgin part of Europe it is possible to start afresh. This provides immediate advantages. In other more urban areas of Britain where industry has been long established the efforts to plan for a better and more balanced way of life are often seriously hampered by the problems of dealing with the existing difficulties inherent in an established community.

The authorities are fully aware of the problems which industry and increasing population have brought to many areas and to the problems which the Cromarty Firth will have to

cope with. However, the positive view is being taken that by using the experience which has been built up over the years in many parts of Europe, the planning expertise and the advance thinking on legislation in Britain, it is possible to attempt to create the best of all worlds.

Mistakes will be made, but it will be inexcusable if they are the same as those which have been made in the past.

No doubt many so-called experts feel that a degree of wishful thinking is involved in this exercise. In fact, when even a superficial study of population growth statistics and of population density (about 1,000 persons per square mile in England but under 20 in Ross-shire) is made it is inevitable that parts of the country like the Cromarty Firth area will have a vital role to play in providing space in which future generations with, it is to be hoped, higher standards, can live.

In anticipation of this inevitable and welcome growth the authorities in the region are preparing strategies for its accommodation. One of the measures involved in this strategy is the seeking of Port Authority status for the Cromarty Firth, so as to be able to control shipping movements in what is probably the best and deepest natural harbour on Britain's East Coast and to be able to promote and control maritime industrial development.

Taking into account the natural advantages this area possesses for accepting industrial development and consequent population growth and also the national population pressures this area will certainly be developed. However, in order to control this growth to produce the best results the attitude of the local population should become less desperate, for it is undoubtedly true that at the present moment, because of high unemployment and low wages, there exist strong temptations to accept any development anywhere. Paradoxically, the way in which to properly control development must be to

attract as much of it as possible soon, so as to remedy the immediate Highland problem.

Consequently, the local authorities with the aid of the Highlands and Islands Development Board and central Government are pressing on with a period of much activity and has great expectations that many new industries will quickly take the opportunity to establish themselves here, thus forming the basis for the controlled development of longer-term expansion.



A woman working on electric generators at Markon Engineering Ltd., near Inverness.

## Efforts to promote tourism paying off

By a Correspondent

This morning on the Hebridean island of Barra the Highlands and Islands Development Board will take their latest major step in their development of the tourist industry within the seven Highland counties. At Tangusdale, overlooking the Atlantic, a team, led by a representative from the Board will inspect the location of the Board's newest hotel.

It forms part of a major scheme to introduce top quality accommodation in the western sector of the highland area and the Isle of Barra Hotel is expected to be ready for the 1973 season.

The Board launched their scheme for developing tourism very early in their life. The basic idea was to capitalise on the new car ferry services operating in the Western Isles by introducing additional accommodation suitable for to-day's travelling holidaymaker.

Mr. Michael Noble, the Minister of Trade and the Department of Trade and Industry opened the first of the proposed chain of hotels—the Isle of Mull Hotel—early this summer. Scottish Highland Hotels, the

group to whom the Board leased the Mull project, reported a very good first season.

Their experience there, in fact, seems to have encouraged them for they have agreed to operate the new hotel on Barra on a similar basis. The Board's deputy chairman, Sir James Mackay, announced recently that the contract for the construction of the Isle of Barra Hotel had been awarded to W. H. Rankin Ltd of Sandbank, Argyll. The cost will be just under £300,000.

## Such expertise

The Board's activities in the development of tourism, however, does not stop with the construction of hotels. Since they were established at the end of 1965 the Board have built up a tourism team of such expertise that it has become the envy of other areas in Scotland.

Their approach to tourism development takes in not only the promotion of Highland holidays but also tackles other problems by encouraging the

development of facilities, accommodation and even sport—resources like sea-angling and sand yachting.

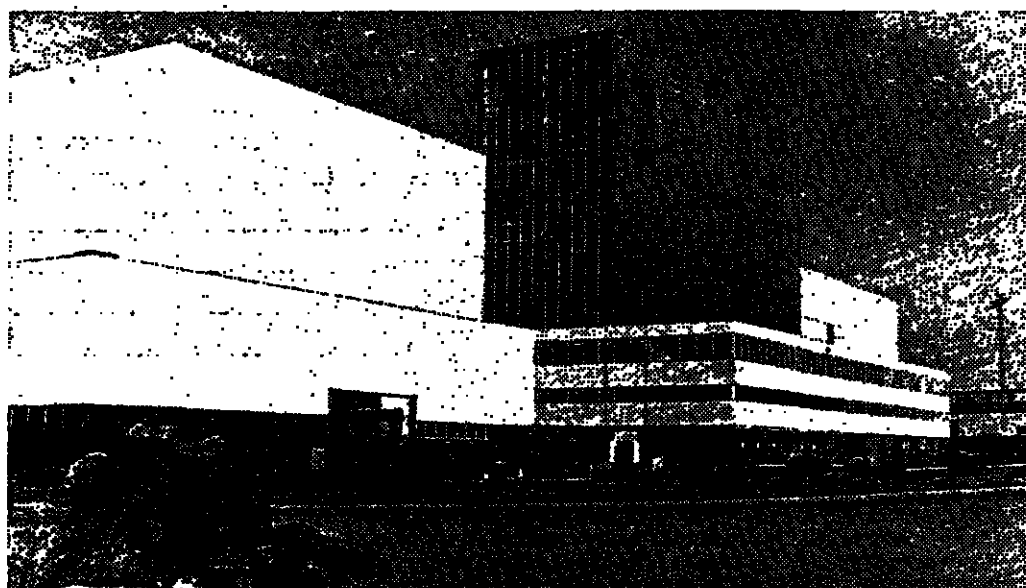
Over the past few years the Board's advertising campaign to encourage visitors to their region has drawn favourable comment from their competitors as well as, of course, helping the growth of Highland tourism to keep in step with the growth of the industry world-wide.

Most areas in the region have had an excellent year with places like the Orkney Islands almost reaching saturation point on occasions.

At local level the Board received great encouragement and help from the network of tourist organisations which now cover the entire region. There are 14 of these bodies and each of them is run by a full time official. One of their main responsibilities is to help the visitor but they do important work in other fields—for example, the Dumfries and Galloway organisation has just launched an effort to attract more investment in the industry in their area.

The Board are handsome in their compliments to the hard work and drive exhibited by these organisations and pay a tribute to the co-operation they receive. It is this combined approach to the industry at regional and local level that perhaps most of all, explains the sound health currently being enjoyed by the Highland tourism industry.

This speaks well for the Board's efforts over the past few years. They have always reckoned the development of tourism as one of their priorities and have backed this judgment with their resources of staff and money. The latest available statistics show that, in their six years of work, the Board have assisted over 450 tourism schemes all over the Highland area involving expenditure on their part of about £2.6m.—nearly half of which was by way of loan. This represents about 28 per cent of their total spending within their grants and loans scheme—an investment which, they claim, will lead to nearly 1,500 extra jobs.



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## HIGHLANDS AND ISLANDS IV

## Remote areas benefit from fishing revival

By a Correspondent

Fisheries development in the Highlands and Islands rarely gets the attention of other industrial activities such as the Invergordon smelter and the Fort William pulp mill.

It might well be described as the quiet revolution of the past decade. With the minimum of fuss and failure—the work has gone steadily ahead. What has been achieved cannot be appreciated at a glance, for the benefits spread from Campbeltown to the northern tip of Shetland.

Social and economic advantages have been immense. Remote communities that were slowly dying are regaining their vitality as they share in the harvesting of seas rich in white fish, shell fish and herring.

The stocks were there all the time, but the people lacked the boats, the technological aids, the training and the processing facilities to cash in.

The Highland Development Board programme, launched in 1965 as the successor to the Government's earlier Outer Isles scheme which provided training and special grant and loan terms for a nucleus fleet, has made excellent progress.

Such has been the enthusiasm generated that the problem for some time has been in dealing with the queue of applicants for boats and training.

## Fish exports

Now, the stage has been reached where the Highlands and Islands provide the major part of Scotland's quality fish exports.

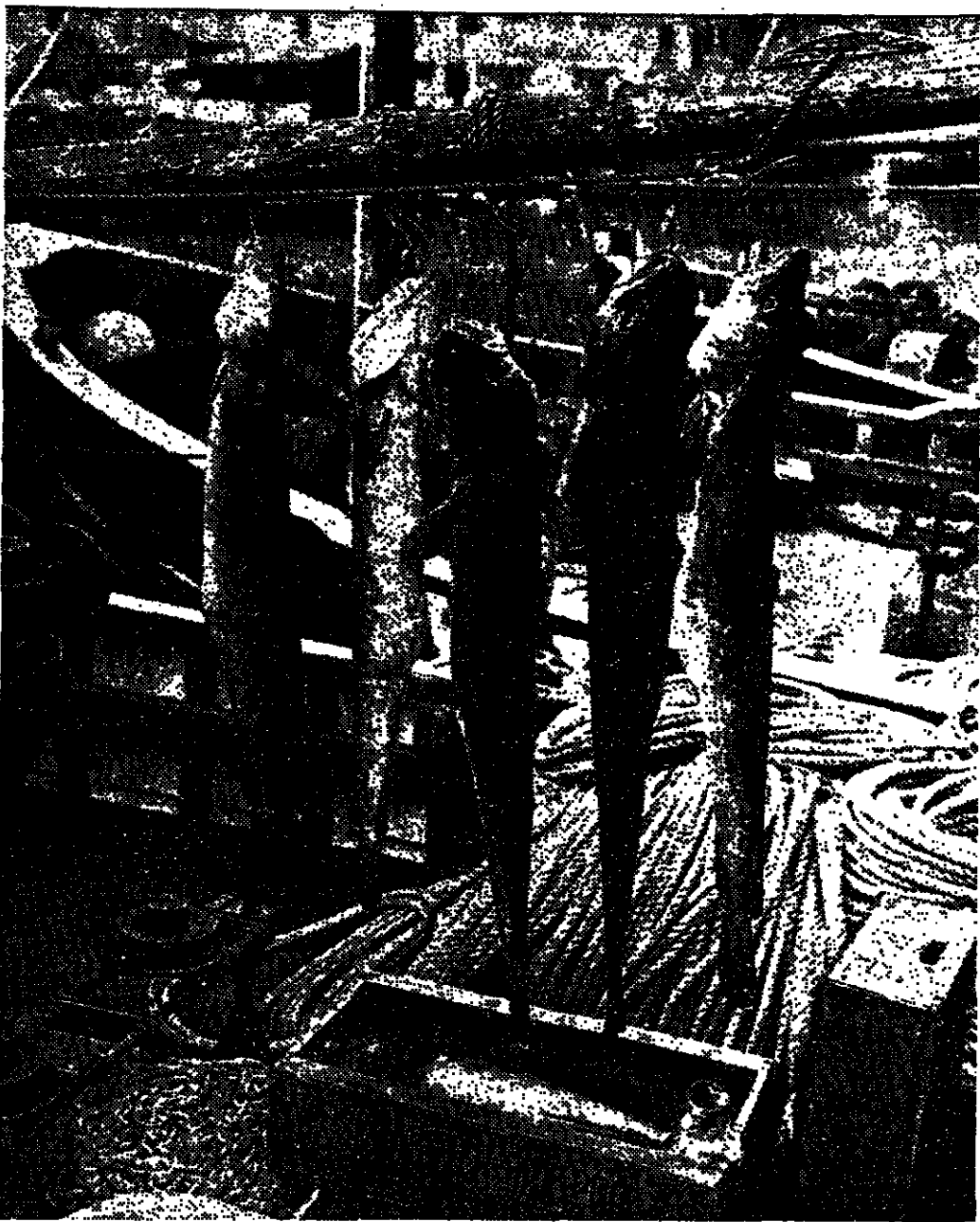
Luxury hotels and restaurants have always received a goodly proportion of their lobster supplies from northern waters, and to their shopping lists they are adding scampi, scallops, crab meat, herring and a range of white fish products.

In the case of herring, Shetland and Minch grounds have become the most reliable source of supply in Western Europe. Most of the kippers that find their way on to the breakfast tables of Britain are of Highlands or Islands origin.

The ports concerned are bustling about a third of the total Scottish catch of all species. This means that this year they will probably be getting a third of £30m.

Not all of this money goes, of course, into the pockets of the local fishermen. Highly efficient crews from Peterhead, Fraserburgh, and the other Moray Firth ports make up a nomadic fleet these days and are to be found wherever there is a good living to be won.

Some operate from west coast ports all the year round, getting home to their families only at the week-ends. They are the mainstay of the markets in such places as Kinlochbervie, Lochinver, Gairloch, Ullapool, Mallaig and Oban.



These ling were some of the fish caught at the recent European sea angling championships held near Thurso.

Every year, however, the challenge from the native fishermen gets stronger.

Shetland and Stornoway are notable examples of the progress that has been achieved.

Thanks to fisheries expansion, Shetland, once an employment black spot, now has a labour shortage. Apart from the seafarers, there are hundreds engaged in a dozen processing factories, and, during the summer herring season, output can be maintained only by importing student helpers from the mainland.

Orkney has responded more slowly to Highland Development Board stimulus because of its agricultural background, but Orcadians are coming to realise that fishing can be a very valuable addition to the economy.

Prospects for development in all areas are encouraging, for quick freezing has opened the way into world markets. It is

unfortunate, therefore, that at a time when new levels of prosperity are being reached, the decline of North Sea herring stocks to vanishing point clouds the scene.

It would be a cruel blow indeed, if Scottish inshore fisheries were sacrificed just only gained in 1964 after years when they are promising such rich rewards.

Secretary of State for Scotland, Mr. Gordon Campbell, who has had his home on the shores of the Moray Firth for many years, has emphasised that the ultimate agreement must safeguard the fisheries.

Similar views have been expressed by Under-Secretary Mr. Alick Buchanan-Smith, who has been representing U.K. inshore fishermen at Brussels.

Nevertheless, confidence has been shaken, and a lot of forward planning in the industry will be held up until the details of the new EEC fisheries pact are revealed.

## Inshore boat

A new inshore fishing boat today can cost anything between £50,000 and £100,000, according to size, and even with grant and loan schemes, many skippers are loath to order in a time of such uncertainty.

Promises that vital interests will be protected, and that Britain will retain the right to enforce conservation regulations do not allay the anxiety. The complaint is that conserva-

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## Priority being given to conference facilities

By MIKE ALLEN

It is perhaps typical of the Highland character that in the past the area has been slower than some others to appreciate the importance of the conference, symposium or discussion group as a necessary adjunct to tourism especially in an area where there is a need to extend the season.

Inevitably between the summer and winter seasons there is a period when the industry is in the doldrums but in recent years there is every indication that the Highlands not only has come to appreciate the conference as a filler, but in many respects is more than a step ahead of its competitors in catering for this type of trade.

Many millions of pounds have been spent on new hotels, extensions and developments in the Highlands in the post war period and seldom is any investment undertaken without some provisions being made for some conference facility.

It is a business that is encouraged by the Highlands and Islands Development Board and while the Board cannot offer financial inducements to political, trade union and local government and such like organisations there are certain types of conferences for which their support can take a more tangible form.

The Board has recognised that a conference that is industrially or development orientated has several possibilities as

far as the Highlands is concerned.

Initially, the fact that it brings people to the area means business but at the same time it provides the opportunity, for which the Board is always on the lookout of selling the Highlands to industrialists and developers contemplating setting up new, or looking for sites on which to expand their existing industries.

The Board's scheme, which is exclusive to Highland Conference Centres such as Aviemore, Durnoon, Oban, Inverness and Strathpeffer, could mean direct financial help with accommodation and travel, assistance with entertainment or visits to places of interest and help with speakers.

## Best locations

In case this is regarded as misplaced generosity it is money being spent with a purpose. In return for this seeming generosity the Board asks that some time during the conference they should have the opportunity of speaking briefly to the delegates, showing them a short film on the Highlands, and if they like, taking them to visit developments such as the Invergordon, the Locaber Pulp mill, and some of the smaller industries now established successfully in the region on sites and factories serviced and built by the Board. On the tourist side, there are the fast developing ski and winter

sports facilities of the Cairngorms.

Obviously one of the best locations is Aviemore with its holiday centre and the Cowlumb Hotel just about a mile away. Between them they can provide accommodation and a meeting place for well over a thousand or indeed cater for several conferences running simultaneously.

But each of the other selected conference centres can provide facilities for several hundred delegates and perhaps equally important for their wives as well, and all are well served with communications.

But the conception of a conference as just a talking-shop has long since been outdated as important is sometimes as important to the delegates as the discussions and formal meetings. Here the Highland conference centres have a considerable advantage over their southern competitors, an advantage which is obviously becoming more and more appreciated.

Each location is in the heart of an area of great scenic beauty, at the end of the day, there is plenty of opportunity for relaxation and indeed it is the experience of many conference promoters that the off-record talks, arranged during a break in the official business, are during an organised tour, can be as important as some of the business transacted within the confines of the conference hall. Similarly it has been the

experience of most Highland centres that once a conference organisation decide on the Highlands the visit is not only repeated within a very short-time, maybe the following year, but on many occasions in after years.

## Well served

The message that the Highlands are no longer remote and are well served by land, sea, air and road communications now appears to be generally accepted and delegates can even commute from London in the not-too-early morning and rely on being in the Highlands in time for the opening of proceedings in the early forenoon, and if need be they can delay their departure until the end of the day's proceedings and still be back in London in time for dinner the same evening.

Indeed the conference facilities of the Highlands appear to be well known beyond the bounds of the United Kingdom and even international organisations, with speakers and delegates enjoying a world-wide reputation, have shown in recent years that distance alone does not deter them.

It is obvious that the most suitable conference time is the spring or early autumn but, given the opportunity, there are few Highland hoteliers who will turn up their noses at such an opportunity, and delegates can be assured of a Highland Welcome and the kind of hospitality it implies.



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### Rothschild Intercontinental Bank

Rothschild Intercontinental Bank is looking for experienced credit officers for its Credit Department. The vacancies which are in teams specialising in lending into the Americas (North and South) and Europe, have arisen following a restructuring of this rapidly expanding department. The work involves assessment of the creditworthiness of companies, banks and governmental bodies, and the negotiation and documentation of loans.

Candidates aged 23/30 should have a good banking or other relevant background, and preferably some experience in Eurocurrency lending. The appointments will be very well rewarded.

Replies please to:-  
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### EDUCATIONAL

### AMP

For the ninth successive year, in answer to wide interest and demand, a six-week Advanced Management Programme is being offered in Britain from July 2 to August 10, 1972.

It is sponsored by Advanced Management Programmes International, an educational Trust. It will be held at the University College of Swansea.

The faculty group from the Harvard Business School that has accepted the invitation to provide the teaching consists of:

Professor Harry L. Hansen on Business Policy and Marketing  
Professor Walter F. Fress on Managerial Accounting and Control  
Professor Bertrand Fox on Finance  
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Professor Charles Christenson on Modern Decision Theory Analysis and the Manager

Guest Lecturers during the Programme will be Professor James J. Healy, Professor of Labour Relations at the Harvard Business School and Dr. W. E. J. McCarthy, Fellow of Nuffield College and the Oxford Centre for Management Studies and Lecturer in Industrial Relations.

The Programme is open to directors and senior executives from the U.K. and abroad.

All participants must be sponsored by their companies or organisations. The fee is £600 inclusive. Up to four entirely free places are offered to Trades Union Officials and teachers of business management.

### 1972 Advanced Management Programme

open to directors and senior executives

The closing date for applications is January 28, 1972. Brochures and application forms may be obtained from: Christine Colegate, Programme Organiser, Advanced Management Programmes International, 8 Hill Street, London W1X 8DQ. Telephone: 01-629 8464.

### APPOINTMENTS

ALSO APPEAR TODAY ON  
PAGE 34.

### CONFERENCES

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Details: Miss Fonda, Management Programme, Brunel University, Uxbridge, Middx. Tel. Uxbridge 30034.



## The Executive's World

EDITED BY  
DAVID PALMER

## Demand for executives lowest since 1959

ELS BETH GANGUIN

MAND FOR executives is at lowest level for 12 years. That gloomy news for out of executives from MSL, the management consulting firm, is the third lowest since 1959. The MSL Index (1959=100), which keeps track of advertised vacancies for executives, fell to 61 in the third quarter of 1971. There was a 36.4 per cent fall in advertised jobs for general managers, accountants, executives, research staff, production personnel, over the same period last year.

During the first three-quarters of this year, demand, as seen through the MSL Index, has been down by over 30 per cent in the general management category. 43,588 people registered, 23,939 men and 19,649 women. During the same three months, the P&E Register placed 2,869 men and 353 women in jobs. And as it

about the pattern of unemployment, we do not know what the needs are," was one comment made to me yesterday.

Figures of 70,000 unemployed executives have been banded about. But it is generally admitted that this is sheer guesswork, and might well include white-collar workers at non-executive levels. The true figure is thought to be substantially lower—but no one knows for sure. The Department of Employment's Professional and Executive Register told me recently that, as a rule, over half of those registering are unemployed. Figures for the second quarter of this year would bear this out: out of a total of 43,588 people registered, 23,939 were unemployed (21,907 men and 19,649 women). During the same three months, the P&E Register placed 2,869 men and 353 women in jobs. And as it

But there may just be a shaft of light appearing. The pure age is concerned: PA Management Consultants whom I also asked yesterday for its recent experience in the executive placing business, said it had not detected a marked downward shift in the stipulation of age by would-be employers. Indeed, there had been a significant change in attitude—it was more often accepted now that many older, able executives were finding themselves unemployed through no fault of their own.

All the same, the increasing complexity of industry has produced a great deal of executive obsolescence, and it might be as well to recognise this as a factor which will continue to affect the unemployment scene. There are a number of experts who would like to see such "unemployables" taken out of the unemployment figures. "You can retrain a manual worker, but with an executive this is not so easy," was one view yesterday. "You should make pension provisions for them, and then be realistic about the situation."

At Harrogate the obsolescence threat caused much concern. "If there is, as some maintain, a problem of manager obsolescence, I would ask if this is really an inevitable phenomenon or have we created and allowed to exist a system which produces it," questioned the IPM president, Mr. Harold Spear (who is also personnel director of the CEBG).

To my mind the threat of old at 40 is not only criminally wasteful of a valuable asset, but contrary to the defined requirements for effective managers."

The British Institute of Management in turn is at present "half-way through" an inquiry into the problems of managerial ability and its relation to redundancy. It has a high-powered working party on the job and expects to report sometime next spring.

For the present, whatever the true executive unemployment rate may be, the various sources I questioned yesterday all agreed that it is probably going to get worse this winter before it improves next spring. The shake-out has been considerable. There is still lots of excess capacity in industry at the moment, which means that companies, even once that boom arrives, can do without increasing their labour forces for a while.

## Witcomb's U.S. bike bonanza

BY PAMELA READHEAD

"I WOULDN'T have got anywhere if my new bank manager hadn't been a racing cyclist," says Ernie Witcomb. Like the other 5,000 or so racing cyclists in the U.K., the bank manager knows the value of a good custom built bike frame. A commodity which Witcomb of Deptford, East London, has been supplying for 20 years.

Last year he sold 1,000 bikes. "Made to measure like a suit."

But now, a sudden boom in bicycling in America has sent him into the big time. This month a trip to the San Francisco British Week brought him in £750,000 in orders for 34,000 bikes. He's so excited that he sticks each new envelope to the ceiling.

The entire Witcomb family is involved in bikes. Ernie's wife, Lil, is a racing judge and son Barry has only recently given up racing to work full time in the workshop. He still cycles 20 miles a day.

The lightweight frames are made by hand in the back of the shop by four young men. The front showroom is full of bicycles, Hells Angels stickers, and all the paraphernalia of the track. The walls are plastered with news pictures of racers past and present and so is the ceiling. Upstairs the small rooms are piled with sacks of tyres like vast Michelin men.

## 75% of output went overseas

Witcomb thinks that the British do not appreciate bikes. Except the professionals. Certainly his main market has been overseas for years. Last year 75 per cent of his 1,000 bike output went to the U.S. Next year, if all goes well, it will be nearly 100 per cent, says Witcomb.

It all began three years ago when the Board of Trade started encouraging Witcomb to go in for the Queen's Award (which he has never won). Then someone suggested San Francisco. "It was the first time any of the family had been away for more than five days. We were rather scared at the idea."

Witcomb re-mortgaged his house for £4,000 to raise the



Ernie Witcomb: "bikes are nothing in England."

money for the trip. It was worth it, he says. "We were on TV twice, and radio once. Princess Alexandra came to see us and so did the Mayor of Birmingham." Before the week was over Witcomb had taken orders for 34,000 bikes. And they are still coming in, 25 per cent of the price being paid in advance. "We put it all in the deposit account," says Witcomb, with the air of a small boy at Christmas.

The existing organisation in Deptford is quite unprepared to cope with 50 times its yearly output. So Barry and Ernie are rushing around organising production, and suppliers.

"We've been ever so cheeky," says Ernie conspiratorially. "We sent off a letter to BSA, saying we heard they'd got a bit of over capacity, and would they like to do an order of 50,000 for us." A similar arrangement is being negotiated with BICC, for a minimum order of 600 bikes a week.

The idea is to sub-contract manufacture of mass appeal bicycles and to carry on making custom-built racers in Deptford. So far, Witcomb is leaving most of this to his bank and his solicitor. He has been amazed by approaches from three banks and a lone American who cabled with an offer of \$1m. "But I'm thinking very carefully about that one. I want to know what's in it for him."

The thought of master-minding the production and sales of fifty times his normal output does not deter Witcomb one jot. "My solicitor is very commercial, but I suppose we will have to call in a full-time accountant," he says. For the time being, he keeps the books himself, and holds orders and specifications on building clips around the office. "And I've arranged for six qualified racing cyclists to supervise the production when it's suppliers. In the frames alone, we get going in the Midlands."

## U.S. mums go back to work

BY A U.S. CORRESPONDENT

AMERICA'S Bell Telephone System, a pioneer in many advanced management ideas, is now trying day care centres as a ploy to get mothers back to work.

While day nurseries have been used in other countries to release mothers, the Bell System experiment is the first large scale employer one in America. The women, most of them mature and trained, are needed for telephone operations even though unemployment figures are up. The kind of employees the company wants are not the kind who go on to jobless rolls.

## Types of care

Bell is trying different types of care for pre-school children. In Washington, the school is run by a professional nursery organisation, Community Learning Centers. In a different approach the Chicago company is sponsoring foster homes which take in only five children for a day of play.

The research project, the company says, is "to determine if child care facilities supported by a company will help retain working mothers of pre-school children and attract other such mothers who would be good employees."

"We're experimenting with the various types of child care to see which one will work best or, for that matter, if any of them work."

"We got into day care because studies showed that one of the main reasons we were losing many qualified employees was because of child care problems."

## Feasible cost

"We opened last April and will continue at least through next June 30 on an experimental basis," said Dr. David S. Folien, president of Community Learning.

"By that time... we'll know whether a professional group like ours can deliver a quality programme such as the present one at an economically feasible cost level."

The Chicago foster home method is less formal. The company picked 300 mothers who agreed to care for up to 4 other children. In addition to their own for the day. Here again, the cost is shared. The two experiments will test the family-size group of five against the school-size group of 100 in the Washington programme.

## Business Books

Management, Innovation and System Design, by Ira Wilson and Marthann Wilson. Auerbach Publishers, £4.50.

Develops the theory that innovators are quite different in talents, attitudes and habits from the managers who direct their work. The subject matter is not restricted to the management of research and development processes.

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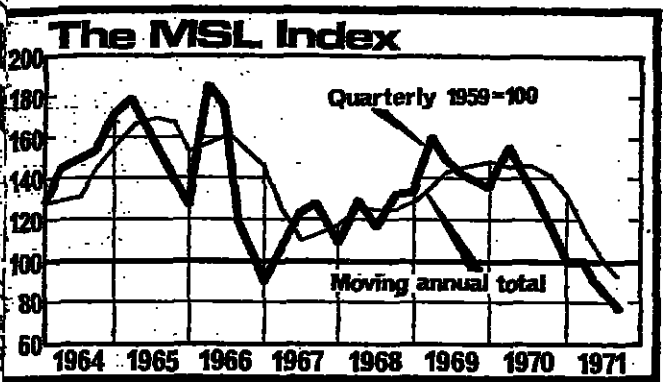
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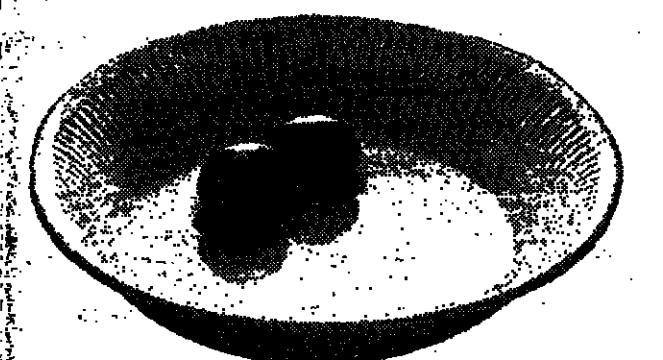
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ter and personnel men, where demand is down by 65 per cent. And 61 per cent respectively. Summarising the picture, MSL says that sales and accounting is building up well; general management shows an average 70 per cent in all other categories demand has been halved since 70. And it wasn't so good last week's unemployment figures showed a further rise in 1278 lost jobs to 888,563. Among the males alone the rate unemployed was 5.2 per cent. And the number of vacancies had again fallen.

No one knows how many executives are included in these causes for executive redundancy. The Confederation of Industry has for a long time been complaining about changes in technology, products, a lack of breakdown in the or trade (20 per cent.) and department of Employment mergers and takeovers (17 per cent.). "Until we know more cent."

## Polish off the olives and depart.



It's far and away your favourite restaurant. The atmosphere intimate, the lighting low, the tastefulness of the decor surpassed only by the tastiness of the cuisine. Enriching aromas waft from the kitchen, the waiters bustle about, balancing plates, wheeling trolleys, nonchalantly setting fire to things in silver salvers.

But something is seriously amiss. You call the wine waiter over. "This wine list of yours, Henri?" you say, "there seems to be no mention of KlosterPrinz on it. That would be printing error, would it not?"

Poor Henri. You're the third person who's asked about KlosterPrinz that evening. He can only stumble out his wretched apologies, "er, no sir, it's not a printing error, it's been meaning to order KlosterPrinz some time, only..."

"Henri," you reply, drumming your fingers lightly, "well, in view of the fact that KlosterPrinz is a veritable place of Piesporters, deliciously crisp, yet so slightly dry, you leave me no alternative." And without more ado you polish off the olives, rise from your chair, and pleasantly and depart.

Congratulations. You just struck significant blow for progress.



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## Some strategies for Europe

BY BRIAN SMITH\*

Any company concerned with trading within the EEC is faced with a major question—what form of organisation should it have?

There are two basic extremes; the autonomous duplicate in each foreign country of the home company—or the treatment of each foreign country as simply an extension of territory to be handled by the product and function heads at Head Office.

The first extreme, which gives full geographical autonomy, is the classic case of decentralisation. The foreign manager reports to the home parent chief executive. The only question here is what functions to retain centrally, whether in the home country or in some carefully situated international headquarters such as Switzerland or Luxembourg. There must be some central control and the classic minimum is central control of overall policies and objectives, financial budgeting and achievement of budgets, advisory services, and control of capital expenditure.

A sound practical example of this pattern which has impressed me most in Europe is that of IFT, both in its emphasis on budgets and its ability to send in central advisory staff when achievement of budget is in doubt, although IFT is by no means alone in this approach.

The basic classic pattern of maximum local autonomy with centralised policy, budgeting, finance and advisory services, has much to be said for it. It is easy for new European managers to understand and accept, and while more expensive to set up than some of the other forms it is very effective in terms of development and growth—so much so that in some situations this could be its greatest weakness; the home company may not wish to grow at such a rate.

The other extreme of structure is minimum decentralisation. The foreign manager has local co-ordination and household duties essentially, with a second line of managers directly responsible to the Head Office equivalent. These may be product managers, for example, fertilisers, cosmetics, pharmaceuticals, or functional managers, such as marketing, production, personnel, or a mixture of both. This is virtually an arrangement for foreign landladies in their own countries with home-trained product and function representatives as tenants.

There are examples of all these forms, and many hybrids. In action, IBM, Shell and Philips are examples of companies using the fully autonomous geographic approach. SKF and Fiat are among those companies using centralised functional control over marketing, finance, personnel. Geigy and Sperry Rand are among those using centralised product group control.

With the proper structure settled, what about the staffing question? The choice, for foreign countries is clear—home nationals, local nationals, or third country nationals. The choice of structure affects the importance of the appointments and the number of them to be made. Well trained local nationals are strongly to be preferred, at least in some key positions, despite the problems of getting them, paying them, and training them. The ideal pattern for a new operation is to recruit a bilingual national who goes to the home country for a month or so and then returns to his country accompanied by a bilingual executive assistant from the home country who stays for, say, six months at least.

\*Brian Smith is U.K. managing director of PA Management Consultants.

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FRIDAY OCTOBER 29 1971

**THE GOVERNMENT** was well expected to obtain a comfortable majority in last night's vote on entry into the European Community. But this 'as a vote on an issue of crucial importance to the country's future about which unusually strong feelings have been aroused and unusually strong pressures employed. What would have seemed a comfortable majority in any other circumstances would not necessarily have been adequate in this case. It was not, I think, 0, indeed, would have made it difficult for the Government to proceed.

In the event, the majority has turned out to be 112, right at the upper end of the range of advance estimates, and the Government has every right to feel encouraged. A majority of this size will help to rally opinion in the country in favour of its future. It will also reassure our entry partners in the EEC who may have been puzzled by the gyrations of the official opposition and by opinion polls which suggested that the British people were still not convinced of the advantages of entry. Parliament has come out decisively in favour. At the same time, a majority of this size should improve the Government's chance of getting through the necessary legislation in time for entry at the beginning of 1973.

The precise form of this legislation has not yet been settled; some changes will not have to be made in advance of entry, some ministers already have power to make. The expectation at present is that there will be two Bills—one short and concerned with the principle of entry, the other long and detailed. It is on this second Bill, which must be passed by the summer if we are to join at the beginning of 1973, that the Government must look for trouble.

The Opposition (and a few of its own supporters) are determined to hold up progress by every means possible and it seems likely that many of the Labour MPs who defied the whip and voted for entry last night will vote against the Government on specific issues. As Mr. Houghton, the chairman of the Parliamentary Labour majority, which will allow the Prime Minister to argue convincingly that the question of principle has now been decided and that he is entitled to their full support. Yet the months ahead are bound to be uncertain and difficult, and the chance of getting other major legislation through before the summer are not bright.

YESTERDAY'S talks in London grew by 54 per cent. over the between the CBI and its same period of 1970. The Japanese opposite number, the increase in British exports to Keidanren, were probably the Japan, by contrast, was only 9 most important the two sides per cent.

The danger of such an upsurge in imports from a single country is that individual industries begin to feel the pinch and become lobbyists for protective action. The Anglo-Japanese Trade Agreement incorporates a safeguard clause which, in theory at least, gives the U.K. the right to put up barriers against imports of any one product in cases of extreme necessity. But it is no secret that the U.K. would prefer not to invoke the clause.

note domestic demand in Japan which merely echoes what Japanese economists and even the Government itself have been saying for a long time. But the Neandren plan is at least evidence that Japan's business leaders want to talk out their difficulties with European importers before Britain or the EEC countries resort to protective action.

The background to the present situation is that Japan is approaching saturation point in its exports to the U.S., which traditionally has been far and away the most important market for Japanese products. During the past few years the U.S. has provided about 30 per cent of Japan's export income (compared with 9 per cent for the U.K. and the EEC together). The American share of Japan's total trade actually increased during the first-half of this year but only at the cost of an acute crisis in U.S.-Japanese relations which has underlined the need for a shift in the pattern of Japan's exports.

It has been no secret for some time that Japan looks to Europe as one of the necessary outlets for its export surplus and Britain's trade figures with Japan are already beginning to reflect this attitude. During the first eight months of this year Japanese exports to Britain

# An anxious eye on growth

This period roughly corresponds to the experience of Europe in the late 1950s and early 1960s—the years of the motor boom. But by 1966 Europe had reached the same level of motorisation as the U.S. of the mid-1920s; growth began to tail off.

Japan enjoyed the same phenomenal growth in its motor industry during the 1960s. In the U.S. of the 'Twenties, Europe of the 'Fifties or Japan of the 'Sixties, the motor industry developed a self-generating momentum and became the main engine of economic growth. Its expansion was many times more rapid than the growth in gross national product or in industrial production. Even in the 1960s, the European industry experienced an average growth of 7 per cent. per year.

In the United States, the period of such rapid growth has already passed. To-day the bulk of car demand is made up of replacement buying rather than incremental demand. Buyers replacing a car are much more influenced by psychological motives than by economic considerations and are far more likely to postpone buying than those purchasing their first car. As a result, the market fluctuates considerably and shows much less real growth. Between 1969 and 1970, for instance, U.S. car demand declined by 11 per cent, and 1971 will show a further drop.

In the U.S. 7 per cent in Germany, 64 per cent in the U.K. and 51 per cent in France to 5 per cent in Italy.

## Western aid with design

The motor boom of the Seventies will be in the East—the current Soviet five-year plan specifies and expansion of 18 per cent per year in the motor industry (30 per cent for cars alone) against a 6 per cent expansion in GNP.

By 1975, Soviet car output

considerations and are far more likely to postpone buying than those purchasing their first car. As a result, the market fluctuates considerably and shows much less real growth. Between 1969 and 1970, for instance, U.S.S.R. car demand declined by 11 per cent, and 1971 will show a further drop.

## EEC company marriage broker

One man who will wholeheartedly endorse last night's Commons vote on Common Market entry is Mr. Lionel Barris, founder and major shareholder in CEDIF—Compagnie Européenne pour le Développement Industriel et Financier—a new Brussels-based organisation which is backed by the ICI Pension Fund to the tune of £100,000.

The aims of CEDIF are twofold. One is to provide a channel through which firms in Europe can establish cross-frontier links, either through working arrangements or outright take-overs. Secondly, it has a Common Market Liaison Office, the aim of which is to inform British industry of the multitude of important EEC Commission decisions which do not get circulated in this country.

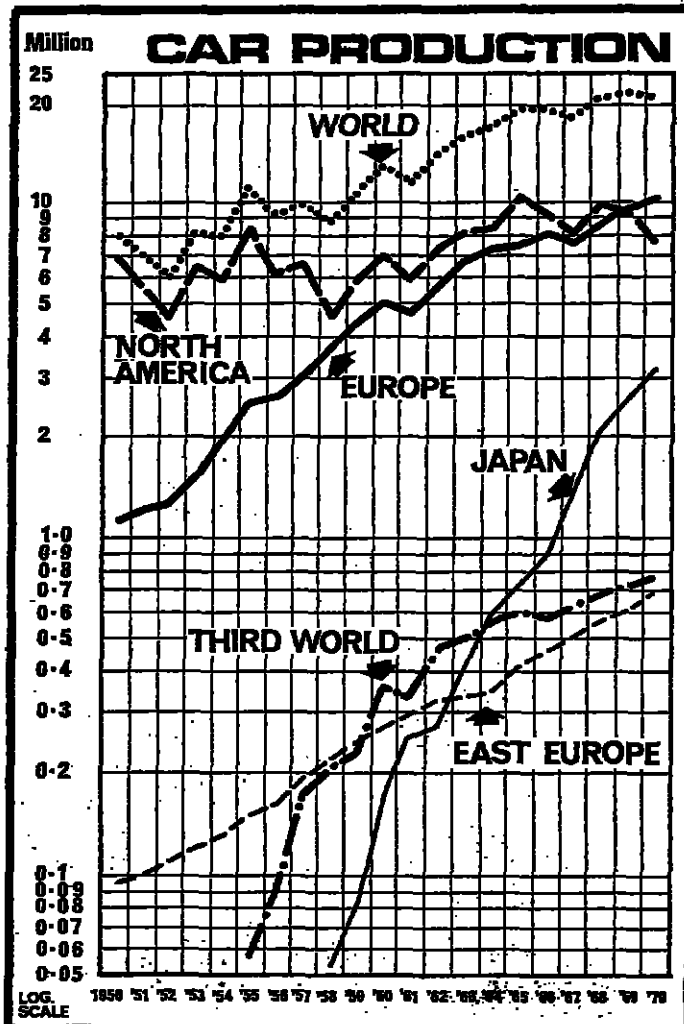
Barris, a 39-year-old economist, made his name in the City in insurance, and built up Investment Annuity Life Assurance (the Lion Index Performance Fund group) before selling out to a U.S. financial group to concentrate on Europe. He is on the Smaller Firms Council of the CBI, as well as being a member of the CBI's Economic and European Steering Committees.

He has been working on CEFID for around four years, and enlisted the ICI Pension Fund early this year. The success of CEFID is bound up with the future of medium-sized European companies who find it difficult to come to the market for the first time for finance. CEFID will be looking at all the EEC countries, but

should reach 1.2m. to 1.3m. units per year, if plans are realised, compared with only 350,000 in 1970. At this point the industry will be able to exploit full economies of scale and, with Western design aid, it may subsequently present as a major export to European markets as the Japanese industry does to-day.

Unfortunately this expansion meant in plant and models.

Year	Production (Million)
1970	20.5
1971	21.0
1972	21.5
1973	22.0
1974	22.5
1975	22.5
1976	23.0
1977	23.0
1978	23.5
1979	23.0
1980	23.5



will be of little benefit to Western car manufacturers. Although Fiat is collaborating with the Togliatti car plant and Renault with Moskvitch and the Kama truck plant, the Russians pay only for the technical help.

The prospects of expanded car demand in the "third world" are poor, because most of the countries are too far from a position of economic take-off and incremental demand factors are weak. Dr. Agnelli singles out Argentina, Mexico and Brazil as the most

Renault and Fiat already invest £100m. a year, and see little prospect of lowering this, despite the slow-down in demand growth.

Dr. Agnelli actually argues that the need for capital resources will be far greater in the 1970s than in the past, partly because the entire European market is gradually forming itself into a single, highly-competitive market, and partly because of the much greater requirements for safety and pollution research.

Because every manufacturer

below. But Leyland, Chrysler and Daimler-Benz are not. Renault's studies confirm a slowing of growth in volume terms but show a significant move up the market in price terms which will help to keep total spending rising. The 2-litre executive car class is likely to be the most expansionary in Europe and the 1.6-litre class, while the sports saloon is also going to show large sales increases.

These forecasts seem to contradict Agnelli's belief that the car has lost its importance as a status symbol in Europe and is bought purely for transportation. Certainly the car has never become so closely in-

Dr. Agnelli foresees periods of considerable overcapacity in the European motor industry. Each of the eight main groups confidently expects to enlarge its share of the overall European market, and each will be forced by competitive conditions to attempt to substitute at a more rapid rate and to enlarge productive capacity.

But as demand becomes largely replacement demand, the car market in Europe will fluctuate much more than in the past. Since every European Government now pays considerable attention to employment levels, particularly in such a politically sensitive area as the motor industry, this may put the manufacturers under severe pressure. "The future," says Mr. Agnelli "will see a period of oligopolistic competition after a period of protected national growth."

Already half of the exports of

doubtful that the market will provide support for eight independent manufacturing groups once it becomes fully integrated. Three of those groups, Renault, Volkswagen and Chrysler Europe, will make unsatisfactory profits or even losses this year. Two others, British Leyland and Fiat, are climbing back from troughs, whilst Ford will make little money in Europe because of its British labour troubles. Agnelli is right, but this situation could come, but the accepted pattern over the next decade.

## Anti's last stand?

British presence in Europe may be going well on this side of the channel. But on the other side it received a heavy blow in the early hours of Wednesday morning when the Red Lion, the local British pub in Brussels, was gutted by fire. The club above the ordinary bar (it has to be a club under Belgian law to sell spirits) is the regular drinking haunt of many of the British community.

One or two nervous, but

Whatever the reason, Dali's much publicised ride across the Pyrenees was a total flop. Surus disliked the unfamiliar mountain scenery, and threw a fit when Dali's entourage started littering its path with rose petals.

Surus repeatedly tried to throw Dali, and after 19 miles which took four laborious days to cover, Dali gave up. Ever since, Dali has tried to get rid of Surus, who gulps 600 pounds

One or two regulars who slipped past the guard on the door and found their way through the debris discovered the host, Major John Reynolds, standing in a pool of water dispensing drinks by the light of a single light bulb. The locally brewed Watneys Red Barrel was not up to its usual standard (it was more of a mullled ale) and the glasses (many melted) were in short supply. But Reynolds predicted that the club would re-open at the week-end, to everyone's relief.

## That crazy Europe

At last, surrealist painter Salvador Dali has got rid of his

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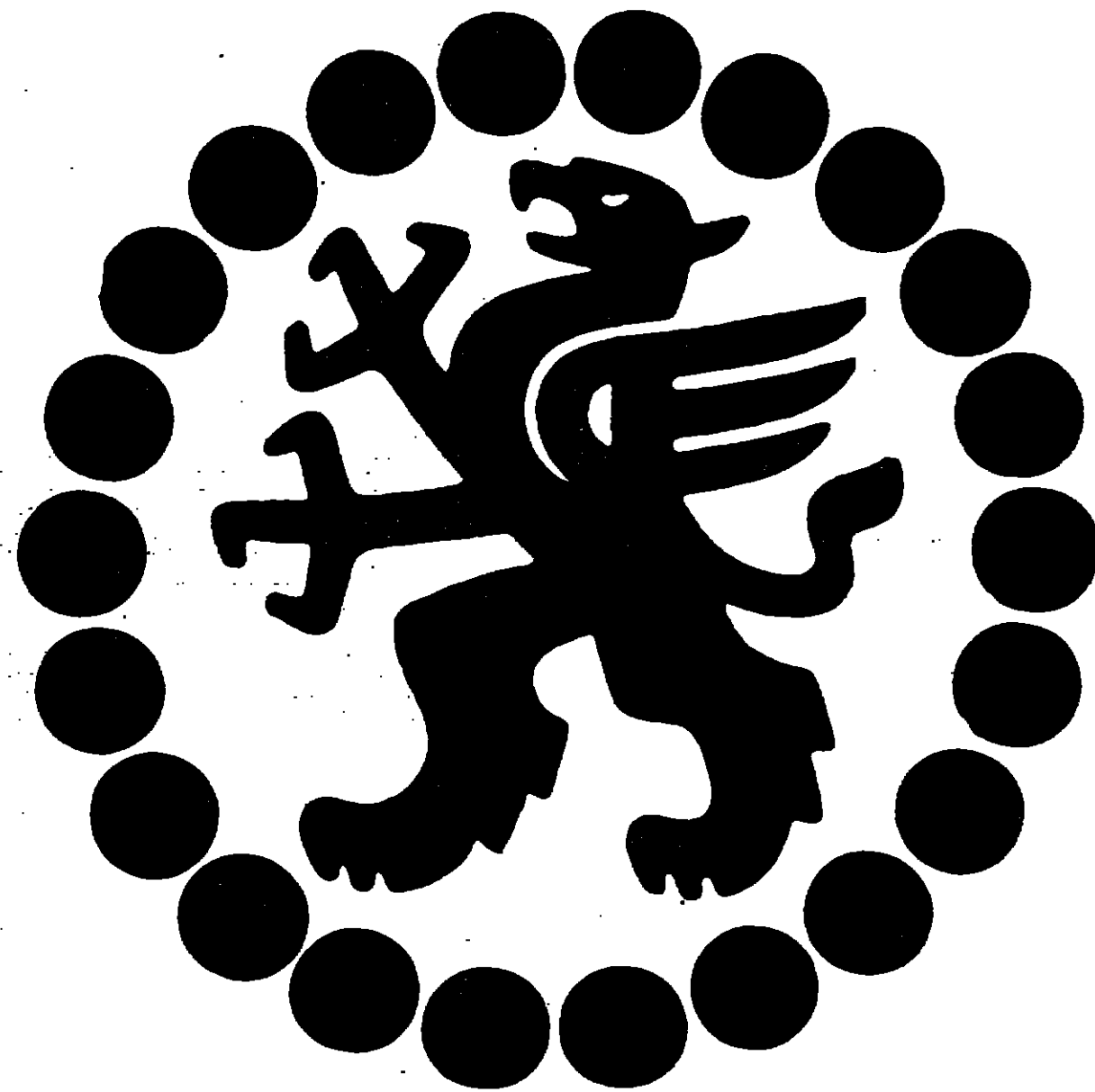
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## Observer





# Midland Bank

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# A MESSAGE FROM THE MIDLAND BANK TO EUROPEAN BUSINESSMEN.

We at the Midland Bank believe that now Britain has taken the E.E.C. decision, it is more important than ever to help foster trade relations between ourselves and the Community.

We believe we are in an unrivalled position to help trade in both directions.

Our involvement with Europe over the years — and particularly our participation in European Banks International Company S.A. — has given us insight into, and personal contact with, business and business methods there.

Our nation-wide network of branches in this country, and such special activities as our ability to introduce suppliers and contacts of all kinds, make us uniquely useful to the European businessman looking to Britain for development.

We are today publishing a message to these businessmen — both on the page opposite, and in the appropriate foreign newspapers — explaining how we can help E.E.C. countries gain a foothold in Britain.

But trade is a two-way business, and we're just as anxious to help you abroad. There is almost no limit to the amount of assistance we can offer.



## Comment une Grande Banque Britannique peut vous aider à prendre pied en Grande-Bretagne.

Maintenant que la Grande-Bretagne a pris une décision concernant la Communauté Européenne, vous allez, sans aucun doute, avoir besoin des services d'une grande banque britannique.

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Notre Groupe compte plus de 3.000 filiales. Son réseau, à l'intérieur du Royaume-Uni, est extrêmement étoffé. Et nous avons des bureaux et des liaisons dans le monde entier.

Nous sommes donc dans une excellente situation pour vous assister dans n'importe quelle transaction, partout, dans chaque ville, dans chaque région. Mais il ne suffit pas d'avoir un nombre important de filiales. Il y a aussi la question des hommes, la valeur de l'encadrement.

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Ces hommes nous permettent de nous occuper d'un éventail quasi illimité d'affaires, de les suivre dans toutes leurs implications, dans toute leur complexité.

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## Soltanto una Grande Banca Inglese vi può aiutare a porre solide radici in Gran Bretagna.

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Ma una banca non è grande solo per il numero delle sue filiali: quel che conta è chi fa funzionare quelle filiali.

Bene, noi della Midland ci siamo assicurati il fior fiore dei "talenti bancari" che si possono trovare oggi in Gran Bretagna.

E per merito loro che possiamo sempre agevolmente districarci nelle operazioni più complesse e intricate.

Dovete ottenere le forme di credito più adatte? Iniziare o condurre affari commerciali su scala internazionale? Ottenere "leasing" e le unità produttive necessarie? Acquistare o fondare società? Venite da noi: risolveremo questi ed altri problemi per noi è affare di tutti i giorni.

Se poi volete conoscere il nostro "pedigree", vi diremo che la Midland Bank è stata fondata nel 1836 e che oggi l'attivo del gruppo ammonta a quasi 3 miliardi e 700 milioni di sterline, vale a dire a circa 5.550 miliardi di lire.

Modestia a parte, siamo proprio una grande banca. E se avete intenzione di concludere domani affari in Gran Bretagna, non vi conviene mettervi oggi in contatto con una grande banca inglese?



**Midland Bank**

A Great British Bank

Head Office: Poultry, London, EC2P 2BX, England  
Overseas Branch: 60 Gracechurch Street, London, EC3P 3BN, England.

## 'n Grote Britse Bank offreert u graag een voet. Om vaste grond te krijgen in Groot-Brittannië.

Nu Groot-Brittannië dan toch over de EEG een besluit genomen heeft, is de hulp van een Grote Britse Bank zeker welkom. Voor enige raad en baat.

De Midland Bank is een aangenome partner, als het gaat om realisatie van zaken in Groot-Brittannië. Dank zij onze bevoorrechte positie.

Met een totaal van meer dan 3000 bijkantoren, inclusief de kantoorkeken door gans Groot-Brittannië, plus vestigingen en kontakten over de hele wereld, kunnen wij uw zakelijke expansie sterk ondersteunen. In welk oord of industriegebied u zich dat maar wenst.

Niet alleen de vele vestigingen bepalen het bestaan van een bank. Meer nog doen dat de mensen.

Welnu, wij hebben de knapste koppen uit de Britse bankwereld aangetrokken. Door hun capaciteiten kunnen wij ons verdiepen in vele moeilijke en complexe vraagstukken.

Zoals: het creëren van de meest geschikte kredietvorm. De opzet en behandeling van internationale bedrijven. Maar evenzo: dienstverlening op het gebied van leasing en factoring. Bedrijfsvestiging. Advies bij fusies. Overname. Uitbreiding.

En mocht u zich willen verdiepen in ons verleden? De start staat genoteerd in het jaar 1836. Nu, anno 1971, beschikt de Midland Bank over activa van bijna 3.700 miljoen Pond Sterling. Oftewel 31.413 miljoen Gulden.

Wilt u morgen zakelijk houvast krijgen in Groot-Brittannië? Dan is het geen gek idee om vandaag een Grote Britse Bank in de arm te nemen.



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# MIDLAND multi-national banking partnerships span the world

## Midland's International Role

MIDLAND BANK put a multi-national stamp on British banking in 1964 when established Midland and International Banks Limited (MAIBL) in partnership with Standard Bank, Toronto-Dominion Bank and the Commercial Bank of Australia. MAIBL, the first of the multi-national banks, meets all the various requirements for medium term international banking services in London. Its concept, new in 1964, has since been widely copied by other financial institutions.

Midland Bank was also the first of the London clearing banks to operate in the City's foreign exchange market, and has since been a leader in handling foreign exchange, including foreign exchange. It has a major share of the international business dealt with in the City's banking and is to the fore in the now very important Eurocurrency markets.

With its network of 20,000 correspondent banks overseas, Midland Bank has a continuing dominating position as an international bank in London. From this position Midland Bank Group guarantees its customers a first-class, fully comprehensive financial service throughout the world.

The Midland is, in fact, 'at home' to customers on a global basis and understands the facilities which it provides are the character of an international stop bank.

Anticipating the growth of international banking, the Midland has quietly strengthened its position and the world by a series of alliances with other leading banks. This began in 1963 with the formation of the European Advisory Committee (EAC) in association with three major European banks and which has now been expanded to embrace five of Europe's leading banks in addition to the Midland.

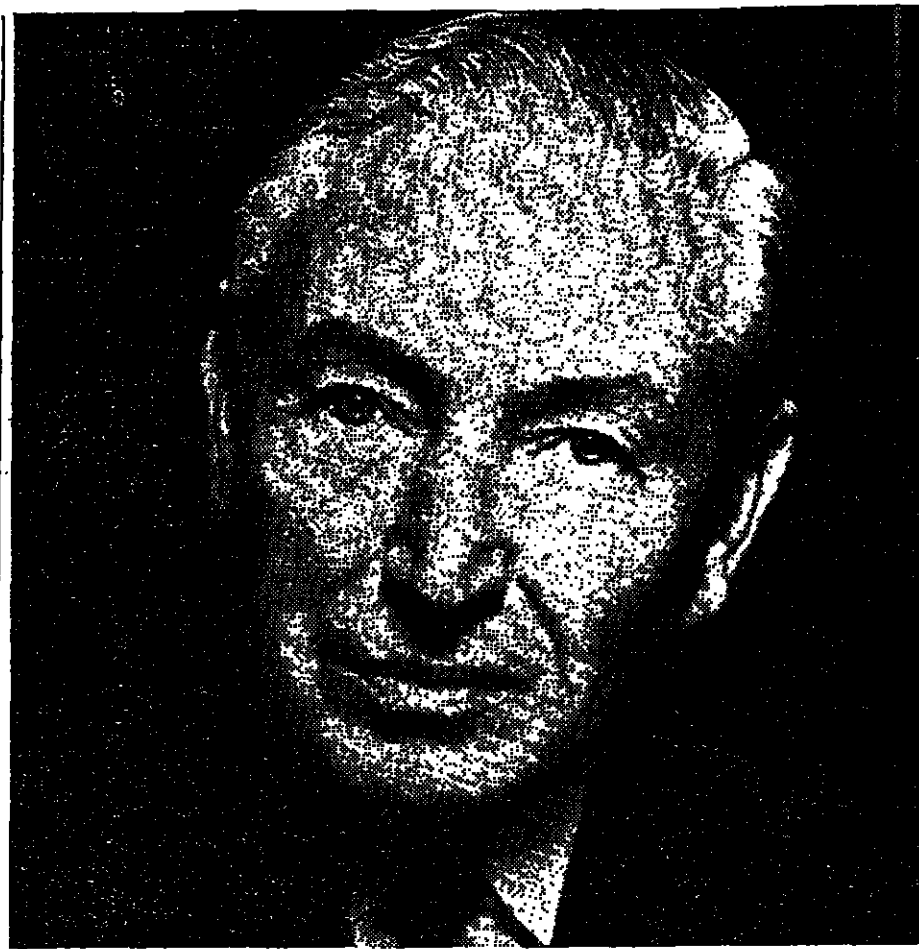
This grouping led to the establishment in 1967 of Banque Européenne de Crédit à Moyen Terme (BEC) in Brussels to improve the facilities available through European capital markets for medium term loans for industrial projects. Today all member countries of the European Economic Community and Austria are represented in BEC, and the six banks of EAC have set up their jointly-owned management company, EBIC, SA, in Brussels to co-ordinate and develop their joint operations.

### Largest in United States

In 1968 EAC set up the European-American Banking Corporation and the European-American Bank and Trust Company in New York, constituting the largest foreign-owned banking operation in the United States.

In 1970 Midland Bank and its three original EAC partners joined forces with United California Bank of Los Angeles, Commercial Bank of Australia and Fuji Bank of Japan in setting up in Melbourne the Euro-Pacific Finance Corporation Limited. Another outcome of the Midland Bank's relations with the other EAC members has been the establishment of jointly-operated representative offices in Djakarta, Johannesburg and Toronto.

Midland Bank takes pride in its reputation for setting standards for others to follow. Companies and individuals who wish to grow internationally will surely do so with this Great British Bank. There is indeed no better way.



Sir Archibald Forbes, GBE, Chairman, Midland Bank Limited; President, British Bankers' Association; Chairman, Committee of London Clearing Bankers.



Leonard C. Mather, Director and Chief General Manager, Midland Bank Limited.

## Powerful links in Europe

In 1963 a loosely knit but powerful alliance was formed between the Midland and three leading continental banks by the setting up of a European Advisory Committee. As a result, working contacts with Amsterdam-Rotterdam Bank, Deutsche Bank and Société Générale de Banque have become considerably strengthened. EAC was further enlarged in 1971 when Société Générale (France) and Creditanstalt-Bankverein became members.

A direct outcome of this international relationship was the formation of Banque Européenne de Crédit à Moyen Terme (BEC) in 1967. BEC was established by Midland Bank in Brussels in collaboration with its three EAC partners and Samuel Montagu & Co. Ltd., one of London's leading merchant banks in which Midland Bank has a participation. BEC's principal function is to provide medium term development finance both in Europe and internationally.

The French banks Société Générale and Crédit Lyonnais together

with Banca Commerciale Italiana and the Austrian Creditanstalt-Bankverein have since joined BEC which fills an important gap in the range of credit facilities available in Europe. In the four short years of its existence, BEC has shown an impressive growth rate.

In October 1970, European Banks' International Company SA (EBIC) was formed in Brussels by the members of EAC. This was a logical development of the loose association of EAC which at the same time has enabled the Midland to broaden further its base of growth.

EBIC is the management vehicle which administers the various joint operations of its members and co-ordinates their forward planning. In addition to promoting common activities, EBIC provides joint facilities for international trade and finance. It is particularly concerned to offer faster and still more efficient services to customers, especially multi-national companies.

### EUROPEAN PARTNERS

MIDLAND BANK LIMITED	represented by L. C. Mather E. J. W. Hellmuth
AMSTERDAM-ROTTERDAM BANK NV	J. R. M. van den Brink C. F. Karsten
DEUTSCHE BANK AG	W. Guth F. H. Ulrich
SOCIÉTÉ GÉNÉRALE DE BANQUE SA (BELGIUM)	P. E. Janssen R. Alloo
SOCIÉTÉ GÉNÉRALE (FRANCE)	M. Laure J. Richard
CREDITANSTALT-BANKVEREIN (AUSTRIA)	H. Treichl G. N. Schmidt-Chiari

## MAIBL: Link with the Commonwealth

In 1964 the Midland introduced a new concept into international banking which has proved to be a continuing success. This was the formation of Midland and International Banks Limited (MAIBL) by Midland Bank partnership with the Commercial Bank of Australia, Standard Bank of Toronto-Dominion Bank. MAIBL is created to help match the grow-

ing complexity and scale of international financial operations and, in particular, to extend the Midland's link with Commonwealth countries. MAIBL operates outside the normal framework of commercial bank lending. It provides finance in sterling or foreign currencies and can finance internationally large scale development projects.

## Comprehensive Banking Service in North America

Midland Bank has been in New York City since 1945, firstly as a representative office, then as an agency and more recently as a full branch. In May 1968, together with three leading European Banks (Amsterdam-Rotterdam Bank of Holland, Deutsche Bank of West Germany and Société Générale de Banque de Belgique) the Midland set up on Wall Street the European-American Banking Corporation and its associate European-American Bank and Trust Company, into which it has gradually integrated its branch activities. In mid 1971, Société Générale de France and Creditanstalt-Bankverein of Austria joined EAB and its associate company. These two U.S. organisations, which also have two up-town branches, specialise in financing international trade, principally with European countries, and provide complete banking services to United States and foreign customers.

On the staff are senior officials seconded by the member banks from Britain, Germany, Holland and Belgium, and now France and Austria. Consequently, American customers can be kept fully briefed on developments and opportunities in Europe, while European clients can receive the same service for their North American business interests.

In 1969, a branch office was opened in Nassau, Bahamas, and a subsidiary, European-American Finance (Bermuda) Limited, in Bermuda.

### In the Caribbean

Through its shareholding in the Bank of Bermuda Limited, Midland Bank provides financial services relating to both the sterling and dollar areas not only in Bermuda itself but also throughout the Caribbean. Bermuda has, of course, many tax advantages for creating offshore companies and trusts.

## Merchant Banking services available in Malta

The Malta International Banking Corporation Ltd. was set up in 1969 by Midland Bank in partnership with Standard Bank, National Bank of Malta and Samuel Montagu & Co. Ltd.

MIBC provides a merchant banking service from Malta. Its activities include a full range of investment services, taking deposits, lending to corporate customers, and issuing guarantees.

## European Enterprises Development Co.

As another link in its European chain, Midland Bank was the first London clearing bank to take a shareholding in European Enterprises Development Co. SA. Based in Luxembourg, EED provides risk capital plus active managerial assistance for the creation of new companies or the expansion of existing ones, which are developing new or improved services or techniques. The companies are financed by equity capital, which is sometimes supplemented by a long term loan.

## Euro-Pacific Finance Corporation established in Melbourne

The Midland was one of the seven leading banks which formed the new international finance group, Euro-Pacific Finance Corporation, in Melbourne in July 1970. With the increasing importance of the Pacific Basin in the world of finance and investment, this was a logical step in the extension of the Midland's international activities.

The main purpose of the Corporation is to provide loan finance to assist in the development of enterprises in the Pacific area. Initially activities are being centred on Australia, but it is planned to expand these to cover the whole Pacific area. Euro-Pacific Finance Corporation aims to provide a complete range of financial services. Its major sphere of activity, however, is short and medium term finance.

EPFC plans to use local and world money market funds to provide finance for Australian companies or Australian subsidiaries of U.K., European and other overseas companies.

Acceptance facilities and bridging finance are available for short term finance. Medium term finance is available by way of loans. Particular importance is attached to the large scale financing of capital projects.

## Midland money services

Alongside the rapid expansion that has taken place in its international activities the Midland Bank Group has been building a wide range of institutions which all play a part in providing a full and well integrated financial service. These U.K. based enterprises include:-

### Midland Bank Finance Corporation

Formed in 1967, MBFC now holds substantial deposits in sterling and foreign currencies. The Corporation provides funds at medium term for development expenditure, having a special interest in major capital projects.

### Forward Trust

is wholly owned subsidiary of MBFC, has more than eighty branches in key cities covering the United Kingdom, provides specialised facilities for industry and for the consumer. These include hire purchase and leasing for capital equipment; instalment credit for home improvements and car purchase; check discounting arrangements for retailers; and a broadly based financial support for the motor trade.

### Montagu Trust

Midland Bank has a third shareholding Montagu Trust, which owns Samuel Montagu & Co. Ltd., a leading London merchant bank. Through this shareholding, Midland Bank can provide its customers with merchant banking and also insurance services.

### Midland Montagu Industrial Finance

Midland Montagu Industrial Finance specialises in providing capital and strategic management assistance to private companies with first class growth prospects. A participation in the equity always part of the financial package.

### Midland Citibank Factors

In 1970 Midland Bank formed Midland-Citibank Factors with First National City Bank of New York to provide a factoring service centred on London.

### Clydesdale Bank

This wholly-owned subsidiary operates in Scotland from its Head Office in Glasgow. The Clydesdale has 360 branches, including four in London.

### Northern Bank

Another wholly-owned subsidiary, Northern Bank was brought about by the merger of the Belfast Banking Company and the Northern Bank in July 1970. The bank has 276 branches in Northern Ireland and the Irish Republic.

### Midland Bank Executor & Trustee Co.

Established in 1909, the Executor and Trustee Company has 40 branches throughout the U.K. and handles funds exceeding £1,000 million. It acts as trustee to over 70 unit trusts, administers estates and settlements and manages investment portfolios. It also deals with personal tax problems and looks after company pension funds.

### HELPING THE BUSINESSMAN

All the banking services of the Midland Bank Group are available to the businessman - whether his interests are in the U.K. or anywhere else in the world. Specialised services of particular interest to businessmen cover:-

- Export finance for varying terms.
- Foreign currency lending.
- Mergers and flotations.
- Insurance of all kinds.
- Information on markets, and UK and overseas trading conditions.
- Advice on methods of payment, foreign exchange, credit insurance etc.
- Names of buyers or agents abroad interested in British exports.
- Status reports on overseas companies and individuals.
- Advice and help with setting up subsidiaries and other business links.
- Advice on documentation and financing of overseas trade.

Finally, of course, Midland Bank Group will lend in sterling and currency on a flexible basis for a variety of purposes and at periods ranging from demand up to seven years and longer.

## Investment in Latin America

Midland Bank is the largest U.K. shareholder in Adela Investments Company S.A. This organisation invests in privately-owned companies in Latin America. Midland's shareholding in Adela helps customers interested in doing business with Latin America or investing there.

## Promoting International Trade

As well as providing a full range of international banking facilities, covering all aspects of foreign exchange and investment, Midland Bank helps to promote and develop international trade.

Experts are available to advise and assist businessmen seeking to increase their foreign trade, either by exports, direct investment or by joint venture arrangements overseas. The Bank provides status reports on business undertakings, economic assessments of countries, reviews of markets and commodities, advice on methods of payment and access to a special trade register.

The major international fairs, shows and exhibitions are attended by experienced representatives from the Midland who can discuss problems and provide on-the-spot help to traders.

The Midland is paying particular attention to the question of Britain and the Common Market and the likely effects on both U.K. exporters and importers into Britain. This work is being co-ordinated by the Bank's Panel for Overseas Trade Development.

## Representative Offices

As part of the Midland's international operations, representative offices have been established in Zurich and in collaboration with its EAC partners, in Johannesburg, Toronto and Djakarta. These offices are headed by bankers well versed in all aspects of international trade and finance. They are there to advise on export and investment problems in the countries concerned.

## Investment in Asia and Africa

Midland Bank is a member of two of the most important multi-national investment companies in Africa and Asia. The Bank is the largest U.K. shareholder in Sifida Investment Company SA which undertakes and promotes private capital investment in independent and developing African countries. In Asia, the Midland is the first London clearing bank to become a member of the Private Investment Company for Asia SA (PICA).

## SPOTLIGHT PUBLICATIONS

As an aid to businessmen, Midland Bank publishes regularly booklets and leaflets on various aspects of international trade. Business opportunities in specific overseas markets together with matters of topical interest are dealt with in the Spotlight series of publications. The booklet 'Setting up in Britain' offers advice to foreign companies wishing to establish subsidiaries or branch offices in Britain. It contains brief details on subjects such as company formation, taxation, incentives, exchange control and possible sources of finance. A sister booklet 'Setting up in Europe' is designed to help British companies which are establishing a subsidiary company on the continent.

These two booklets and the Spotlight series of publications can be obtained free of charge from any Midland Bank branch or by writing to: The Panel for Overseas Trade Development, Midland Bank Overseas Branch, 60 Gracechurch Street, London, EC3P 3BN.

Midland Bank Review, a commentary on economic matters of a more general interest, is published quarterly. Enquiries concerning the Review should be addressed to: The Manager, Economics Department, Midland Bank Limited, Poultry, London, EC2P 2BX.

The Bank's telex number is 888401.



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London, EC3P 3BN.







# COMPANY NEWS + COMMENT

## Golden Hope increases total by 5%

SECOND interim dividend of 51 per cent. by Golden Hope Plantations to be followed by a final of 18 per cent. lifts the total from 35 per cent. to 40 per cent. for the year to May 31, 1971.

Group pre-tax profit expanded from £2.89m. to £3.22m. The rubber contribution, down from £0.1m. to £0.2m., was more than offset by palm oil and kernel profit-up from £1.09m. to £1.90m.

1970-71 1969-70

Revenue	11,251,000	10,115,000
Cost of sales	(8,354,000)	(7,540,000)
Gross profit	2,897,000	2,575,000
Operating expenses	(2,575,000)	(2,466,000)
Profit before tax	322,000	109,000
Tax	(11,000)	(37,000)
Profit after tax	311,000	72,000
Dividends	1,555,000	1,555,000
Retained profits	1,555,000	1,555,000
Capital reserves	440,000	118,000
Minority interest	(11,000)	(11,000)
Forward	165,000	58,000
Depreciation and replacement	275,000	243,000
Interest	(15,000)	(15,000)

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Golden Hope Plants.	28	1	Saville Gordon	31	2
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Keav (Thomas)	30	3	Southern-Evans	30	3

depressed period in 1970-71. On the knitting side the management reorganisation has now been completed and there are signs of a pick-up in demand. But the real problem area has been fur fabrics where initial hopes of an improving sales trend have not been sustained. Overall, Haggas seems to expect that the Chancellor's recent measures should begin to have an impact in the third quarter. Given the operational gearing inherent in its labour intensive investment, profits should get moving then but that is only what the market is anticipating with a p/e of 14.8 for the last 12 months at 202p-up 7p yesterday.

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## Guardian Properties upsurge

A SECOND-HALF upsurge as foreshadowed, pushed pre-tax revenue of Guardian Properties (£283,788) up from £190,788 to £283,788 for the year to March 31, 1971, after being £94,420 against £27,529 at half.

And a final dividend of 41 per cent. (34 per cent.) lifts the total from 7 per cent. to 8 per cent.

After a substantially reduced tax charge of £28,488 (£24,251) net profit was £253,318 compared with £258,338 for 1969-70. Carry-forward is £70,294 (£20,368).

Chairman, Mr. H. Sonning states that during the current year there have been many new commercial lettings and a substantial number of house sales. He expects the benefits from these to be felt in the following years.

The development programme is the largest in the company's history and will ensure growth throughout the 70's, he adds.

DLAND up on Blyth, a second interim dividend of 14p on 28p shares on December 14 and the h Standup dividend of a final on May 23 are to be paid. The company is to be paid in arrears of transitional dividend for the fiscal year ending 1971-72.

Interim dividend, December 10.

DLAND has a 50 per cent. share in the widely credited Golden Hope's 23 per cent. rise in pre-tax profits in 1970-71. The company's share of the total profit of £1.9m. is £0.95m. The price of the shares has risen from 100p to 120p. The company is to be paid in arrears of transitional dividend for the fiscal year ending 1971-72.

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## British Assets pays more

A FINAL dividend of 1p per share by British Assets Trust steps up the total from 14p to 15p for the year to September 30, 1971.

Total income is higher at £2,504,000, against £2,439,000. Net assets available for holders of convertible loan stock (assuming full conversion) and Ordinary shares after deducting other charges at par was £73,562,000 (£69,693,000), equivalent per share 77p (63p).

1970-71 1969-70

Revenue	1,470,000	1,460,000
Unfranked income	1,024,000	1,025,000
Total	2,494,000	2,485,000
Interest and expenses	(84,000)	(85,000)
Profit before tax	2,410,000	2,399,000
Tax	(106,000)	(106,000)
Profit after tax	2,304,000	2,293,000
Dividends	1,470,000	1,460,000
Retained profits	834,000	833,000
Capital reserves	1,470,000	1,460,000
Minority interest	(11,000)	(11,000)
Forward	165,000	58,000
Depreciation and replacement	275,000	243,000
Interest	(15,000)	(15,000)

## Foster Brothers expansion

FIRST-HALF results from Foster Brothers Clothing show turnover up from £8.1m. to £8.5m. and profit before tax from £865,938 to £801,452.

The interim is raised 1 per cent. to 6 per cent. total for the year to February 28, 1971, was 15 per cent. from a profit of £1.5m.

The directors state that although turnover increased by nearly £1m, it fell somewhat short of target, and this was almost due to June being a quiet month for many years.

In the like vein, the mild conditions of September and October have delayed the onset of seasonal trading, but they are confident that turnover for the full year will be satisfactory.

Twelve months will give cause for satisfaction.

## J. Haggas up in first quarter

FOR the three months to September 30, 1971, sales of worsted spinners, John Haggas, U.S. U.K. Canada and France relating to a significant improvement in the design of certain types of cold-forging machine which offers great advantages in speed, flexibility and economy of production.

Meeting, Birmingham, November 18, noon.

Improvement was entirely the result of U.K. operations principally in the commercial products division of the parent, says Mr. L. Lynam.

During the year Linread Bermuda acquired the sole rights to patents relating to U.S. U.K. Canada and France relating to a significant improvement in the design of certain types of cold-forging machine which offers great advantages in speed, flexibility and economy of production.

Meeting, Birmingham, November 18, noon.

## Sheepbridge £0.96m. for first half

ANNOUNCING a substantially maintained group pre-tax profit of £950,000 for the half-year to September 30, 1971, the directors of Sheepbridge Engineering state that the "outlook is satisfactory."

Profit for the year to March 31, 1971, was £2,057,648, including £107,748 (£107,748) for the first six months was marginally higher than in the corresponding period of last year and the value of orders at the end of September 30, 1971, was £1,187,000, the highest of the last financial year, the directors add.

An unchanged interim dividend of 7 per cent. is declared. At least £1,000,000 of the total of 174 per cent. on capital increased by a one-for-eight rights issue, has been forecast.

Half year

1971	1970
Profit before tax	950,000
Capital profit	500,000
Taxation	(300,000)
Attributable	1,150,000
Interim dividend	294,000

## Linread's prospects

While, on balance, Mr. A. H. Lynam, chairman of Linread, inclines to the view that a significant recovery in the national economy is in prospect, he cannot at present anticipate a recovery in profitability in Canada during the current half year.

He looks for an improvement in profitability by the U.K. companies in the first half.

As reported on October 8 group pre-tax profit for the year to July 31, 1971, was £447,000 (£278,000) and the Ordinary dividend 18 (16) per cent. The profit

## Profit fall by Scottish Nat. Trust

Pre-tax revenue of Scottish National Trust Company fell from £1,236,971 to £1,276,666 in the year to September 30, 1971, after dropping from £978,403 to £912,740 at half year.

A final dividend of 2.1p (2p) per 25p share makes a total of 3.6p against 3.5p.

After tax of £57,630 (£58,949) net profit emerged as £1,219,036 compared with £1,247,031 for 1969-70. Carry forward is £2,011,751 (£1,978,375).

Net asset value per 25p share prior to charges at par was £1.45 (£1.16) including the full dollar premium of 7p (5p).

# Nearly 1000 branches to help you take root down under

You could grow into something big in Australia. And we want to help you make the most of the opportunities and openings that we know are out there. Whether you're a businessman searching out new markets, or a would-be emigrant searching out a new life. We've nearly 1000 branches covering the country. That's a lot of help. In a lot of ways.

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**For Emigrants**

Our booklet 'Australia A Guide For Newcomers' will tell you all about living conditions, prospects and life in general. More than that we'll help you with arrangements. And provide a sound basis for life in Australia. Just fill in the coupon and we'll send you the details you need.



The National Bank of Australasia Ltd. 6-8 Tokenhouse Yard, London EC2. Telephone: 01-606 8070.

Please send me details concerning business investment in Australia/the booklet 'A Guide for Newcomers'.

Name \_\_\_\_\_

Address \_\_\_\_\_

FT28/10

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. payment	Total for year	Total last year
Border Breweries	4	Jan. 6	4	1.45p	1.45p
Brit. Assets Trust	11p	Dec. 27	4.47p	1.5p	1.5p
Charrall and Stine	11p	Dec. 27	4.47p	1.5p	1.5p
Curzon Industrial	3	Dec. 7	3	11	11
Dalmore Whyte	7	Dec. 7	7	11	11
Dryad	7	Dec. 7	7	11	11
Dunlop Holdings	13	Dec. 29	13	31p	31p
P. J. Evans (Eds) 2nd Int.	(e)10	Dec. 21	13	(2)27	25
Foster Clothing	6	Dec. 10	6	18	18
Golden Hope	16	Dec. 14	23	40	35
Guardian Props.	4	Dec. 9	3	8	7
Guardian Trust	(d)10	Dec. 10	0.025p	9	9
Goldhall Property	6	Dec. 1	6	15	15
Hambros Investment	3	Nov. 30	3	8	8
Horse of Seas	3	Dec. 1	3	8	8
London & Prov. Shop	6	Dec. 1	44	10	8
McKee Bros.	11	Dec. 15	11	16	16
Metropolitan Trust	11	Dec. 15	(e)16	2p	2p
Oxley Printing	Nil	Dec. 1	Nil	5	5
Photo-Me	Nil	Dec. 1	Nil	5	5
Provincial Insurance Int.	15p	Nov. 22	5p	11.67p	11.67p
Scottish National	12.1p	Dec. 17	2p	3.5p	3.5p
Second Scottish	11.375p	Jan. 5	1.25p	2p	1.88p
Sheepbridge Eng'g	(b)7	Dec. 10	7	17	17
H. C. Slingsby	(h)1.1p	Dec. 8	1.1p	2.3p	2.3p
Southern Construction Int.	5	Dec. 1	5	25	25
O. C. Summers	7	Dec. 3	7	17	17
Trust Union	1.12p	Dec. 1	1.06p	(c)2.25p	(c)2.25p
Whitbread Invest.	4	Dec. 8	3	10	10

\* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition. (c) To reduce disparity. (d) In accordance with offer terms. (e) A total of at least 25 per cent. was forecast. (f) On capital increased by merger. (h) Not to indicate increase for year.

## Photo-Me omits final

OMISSION OF a final dividend is announced by Photo-Me International. The 3 per cent. interim already paid for the year to April 30, 1971, therefore compares with the total 3 per cent. for the previous year.

Chairman, Mr. E. F. Weston, points out that if liquid resources are conserved, now that borrowing facilities have been so much reduced, the directors feel that they can deal with requirements without indulging in a rights issue.

By withholding a final "we will be acting in the better interests of the shareholders than by diluting the equity with a rights issue," he declares.

## Campari spreading activities

"WE ARE branching out into wider fields of the leisure industry," said Mr. G. K. Benschert, chairman, at the annual meeting of Campari.

Already well established in leisure clothing, camping, boating and footwear, the group was now also going to market leisure products for the home, the motorist, the garden and the family picnic. Items included its own exclusive designs of inflatable furniture, swimming pools, garden furniture, beach mattresses, etc., he added.

Samples of new lines had been shown to the trade during the past few weeks and advance orders were higher than anticipated. This branching out was taking place, because of the continuing belief in the growth potential of the whole leisure market. The recently formed footwear division was already doing well. It was not anticipated that the audit will be completed before February, 1972.

## Barranquilla valuation

A professional valuation has been made of the freehold and leasehold properties owned by Barranquilla Investments which amounts to £30,421,000. This compares with a book value as at September 30, 1971, of £14,480,000. It is estimated that the properties were sold immediately at their new valuation there would be a liability for capital gains tax of £5m. approximately but the directors have no present intention of selling any of the properties which are being held for long-term investment.

Barranquilla Investments is a subsidiary of Granada Group.

## UNIFLEX FORECASTS £103,700

Uniflex Furniture indicates a net profit of not less than £103,700, against £103,700, for the year to September 30, 1971.

Net profit for the half year to March 31, 1971, is £51,894 (loss £28,447). The current order position is highly satisfactory and the net profit for the second half is expected to be no less than that for the first half, the directors state.

## M. Mole Board confident

THE DIRECTORS of M. Mole and Son, makers of the well-known self-grip wrench, anticipate a great deal of problems are now over and feel "it would be quite wrong for outside parties to come along at this stage and reap the benefits of years of hard work," according to Mr. T. R. Coughtrie, the chairman.

Mole is currently being subjected to moves by a "ginger group" of shareholders to elect four additional directors and to put through the acquisition of a private engineering concern. The group is headed by Mr. G. Simon, chairman of Allied City Share Trust, which owns over 220,000 Mole shares.

These moves are being contested by the Mole directors and, in a letter to shareholders, Mr. Coughtrie claims that the benefits of past hard work are already being felt "and will accrue to shareholders over the ensuing years provided the company is allowed to pursue its present course without interruption."

The engineering concern which the ginger group suggests should be purchased was considered, says Mr. Coughtrie, but there appeared to be no industrial logic as its business was in no way complementary either in manufacturing or in the market for sales.

## Curzon Industrial

The directors of Curzon Industrial Investments expect that group profit for 1971 will show a "satisfactory increase" on that of the previous year when profit, before tax, was £104,710.

Reporting a 34.8 per cent. increase in first-half pre-tax profits from £48,200 to £65,300, the directors have declared an interim dividend of 34 per cent. (3 per cent.). The previous total was 7 per cent.

Directors state that reference was made in the 1970 report to a proposed transfer of Adams and Son (Engineers) to an extension of the AEW factory at Andover. The move is now scheduled for completion during this current half year and although this will show substantial long-term benefits it will naturally adversely affect the result for this period they state.

## Western Credit

First quarter profit, to September 30, 1971, of Western Credit

## ISSUE NEWS

### £38m. put up for Pork Farms

Samuel Montagu and Co. announces that, in connection with the offer for sale of 1.05m. Ordinary 10p shares each at 115p for a total of 9,521,500 shares, there was allocation in the market for 150,000 shares to employees. 12,000 applications were received for a total of 32,318,500 shares. After eliminating certain multiple applications, ballots will be conducted on the basis of 100 to 2,500 applied-for-balls for 100; 2,500 to 5,000—ballot for 200.

In respect of applications for 5,500 shares and over the basis of allotment will be as follows:—

Application	Allotment
5,500 to 9,500	300
9,500 to 13,500	300
13,500 and over	300

Applications from employees for a total of 12,170 shares will be allotted in full.

It is intended to post letters of acceptance on Monday, November 1, in time for dealings to commence on the following day. Letters of regret to unsuccessful applicants will be returned as soon as possible thereafter.

## TENDING HUNDRED

Tending Hundred Waterworks Company announces that in respect of the offer for sale by tender of £400,000 10 per cent. Redeemable Preference Shares of 1970 (or such less amount as will, with premiums, raise not more than £439,546) the total amount of stock applied for was £2,474,700. The lowest price to receive a full allotment was £115.50. Dealings will start to-day and brokers to the issue were Seymour, Pierce and Co.

M. P. KENT

Sandelson and Co. announce that in respect of its offer for sale

## Minster to retain BMA investment

CURRENT YEAR amount attributable to holders of Minster Assets is expected to approach the £1.45m. of the previous 18 months. The company's own forecast for the year ending September 30, 1972, and which have been examined by Peat Marwick Mitchell and Co., the directors have decided to retain this investment.

The budgets indicate after the payment of all expenses except interest to Minster Assets Group a break-even position. It is calculated that this interest due on the normal commercial rates would amount to £1m.

This would result, therefore, in a loss after interest of £1m. compared with the estimated loss on the same basis for the year ending September 30, 1971, of £1.65m. It is not anticipated that the audit will be completed before February, 1972.

The budgets, the directors add, have been prepared with the greatest care possible but they can be varied by economic conditions over which the directors have no control. The directors of BMA say they are determined to improve on the performance and there are certain indications at the present time that this may be possible.

Investment in the airline remains at the present time at a similar figure to that shown at December 31, 1970—£2.7m. Temporary banking facilities will be required and provided by the Minster Group during the winter months.

## Courtney Pope turns in £302,000

AS indicated in August, profit, before tax, of shipping contractors Courtney Pope (£1.5m.) emerges higher at a net £301,888 for the year ended March 31, 1971, compared with £275,232 in 1970.

As known, a final dividend of 13.75 per cent. makes a total of 20 per cent. This compares with a forecast of not less than 17 per cent. and with a previous equivalent of 16.7 per cent.

The preliminary figures indicate that pre-tax profits will reach a record £300,000.

## MFI ahead of forecasts

At the annual meeting of MFI Warehouse Bank, Mr. A. C. Southon, chairman, reported that turnover

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Address \_\_\_\_\_

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COMPANY NEWS

# Dunlop forecasts £2.11m. McKechnie second half recovery

AN INCREASED attributable profit of some £10.88m, against £7.7m, is indicated by Dunlop's first half 1971.

First half attributable to shareholders expanded from £2.68m to £2.44m, and the directors expect the second half to be "not very different".

The company—tyres to sports gear group—has been in union with Pirelli since January 1, 1971.

An unchanged interim dividend of 3 1/2p per share is declared. The 1970 total was 8.12p.

First-half sales of the Dunlop Group advanced from £266m to £268m, and pre-tax profit from £12.82m to £17.88m. After tax up from £6.18m to £6.76m, net profit was £5.13m (£5.3m).

The directors say it is difficult to predict the outcome of the second half for three reasons—problems arising from the international monetary situation, the recent measures of the U.K. Government and the uncertain speed of recovery of the U.K. economy.

Sales of Dunlop Pirelli union companies expanded from £451m to £493m in the first half. Pre-tax profit fell from £17.89m to £16.06m, and profit after tax from £5.5m to £5.44m.

The union arrangements have been implemented. The Dunlop directors report, the central co-ordinating committee is meeting regularly and the integration of policies and plans is proceeding normally.

The next step towards the completion of the union is that the Dunlop sports activities, initially excluded from the union, have been brought into it.

In the U.K., profits improved substantially over those of the first six months of 1970, which were depressed by dislocations in the motor and allied industries, and despite the sluggish economy.

In Italy the severe reduction in economic activity has hurt the operating units there and they have suffered substantial losses, the Dunlop directors state.

Elsewhere most operating units have done better. All major subsidiaries of Societe Internationale Pirelli, and especially Brazil show increased profits, and the major Dunlop companies, except in South Africa and India, have also improved.

Despite the improvements in the trading situation, the higher interest charges and the Italian losses which have not been relieved for tax purposes have meant that in total, the profit attributable of £2.44m is much lower than in the previous year.

Following discussions between the parent companies of the union, it has been agreed that the capital structure of Industrie Pirelli S.p.A. should be changed (subject to ratification by the Italian courts) so that the losses in Italy do not affect the profit attributable to Dunlop Holdings.

These changes are reflected in the Dunlop group figures. Similar and reciprocal changes are being made in the capital structure of Dunlop Ltd.

rent year both show an increase compared with last year.

But he adds he is unable at this stage to make a forecast for the year ahead, as there are too Anglo Soviet relations in regard to the group's export trade is a many impermanences, of which major one.

## Over £1m. seen by Myson

PROFITS OF over £1m. for the Myson Group, makers of heating, ventilating and air-conditioning equipment, in the year to June, 1972, were forecast yesterday by Mr. R. Myson, the chairman.

He told shareholders at the annual meeting that the estimate was based on indications of results achieved in the first quarter.

Commenting on report about the Myson Heating Products subsidiary, Mr. Myson said that this section had made an "extremely good" contribution to 1970-71 profits.

Further, benefits from the heating products offshoot in terms of profitability were contributing to the group's prospectus forecast in December, 1970, appearing conservative.

However, Mr. Myson made the point that disclosure of Myson Heating products profits, or those of any other subsidiary, would be very misleading, because it was no longer an autonomous company.

The whole of the group's sales and marketing had been taken over by Myson Group Marketing, which had had a significant effect.

## J. Saville Gordon outlook

FIRST-HALF results of J. Saville Gordon Group "must of necessity be poor, following which we shall have most of our reorganisation behind us and our reorganisation will start to take effect," chairman, Mr. John Saville, told yesterday's annual meeting in Birmingham.

At present, there was no clear indication of any marked improvement in business and therefore no forecast could be made of results for the year.

The metal trading companies continued to trade at a loss, but new measures were minimising these losses. The group's stock-holding companies continued to trade profitably in spite of difficult trading conditions.

Commenting on the resignation from the Board in August of Mr. John Fairclough, Mr. Saville said this was because the measure it was felt necessary to impose to correct the position at the John R. Fairclough subsidiary proved unpalatable to Mr. Fairclough.

During the last two months the entire group structure had been carefully reappraised and grouped into division in order to ensure closer management control.

(which makes mobo toys), Chad Valley, and Chas. E. Methven.

The forecast for the toy group for 1971 of not less than £56m, and profits of more than £360,000—or twice the 1970 profit.

## Oxley Printing advances

PRE-TAX profits of the Oxley Printing Group rose from £56,574 to £90,634 in the first six months of 1971 and directors expect the group will continue to make further progress in the second half.

This time, there is an interim dividend of 5 pence, compared to last year's single 5 pence. Final 1970, pre-tax profit was £120,161, against the previous year's £243,000 loss.

Six months 1971 1970  
Pre-tax profit £90,634 £56,574  
Tax 36,254 24,778  
Net profit 54,380 31,796  
Div. per share 5.00 5.00  
Interim dividend 3.125 —

The profit for 1971 excludes any contribution from the tailoring companies which were sold in July (the comparable 1970 figures included a contribution from this source of £19,401). The dividend of 10 pence received from a former subsidiary, however, represents the final payment from them.

Although corporation tax in respect of the 1971 half-year figures has been taken at 40 per cent, the tax charge for the whole year is expected to be at a substantially lower rate.

The directors say the improvement in group earnings for the first half reflects the growing contribution being made by the Morrison and Gibb companies. Pirmaking had a disappointing half-year but the London companies are now being reorganised into a single production unit, the outlook for which is sound.

## Guardian Trust ahead at halfway

Gross revenue of the Guardian Investment Trust Company improved from £264,696 to £275,070 in the half year to September 30, 1971, and net revenue was £715,176 against £696,453 after tax of £22,952 (£26,798).

The interim dividend is stepped up from 0.625p to 0.7p per 25p share to reduce disparity. Last year's total was 2p when net revenue was £1,200m.

Gross income 1971 1970  
Dividend income £75,070 £84,696  
Interest 62,025 62,239  
Untraded 17,735 167,414  
Other income 10,352 25,333  
DTR "8,880 5,600  
Commission and fees 1,629 1,911  
Management expenses 24,978 24,585  
Debit interest 27,583 27,283  
Other interest 25,490 43,512  
Revenue before tax 23,128 72,325  
Corporation tax 22,552 26,798  
Net revenue 1,215 65,530  
Preference dividend 17,176 64,435  
Available Ordinary 87,239 618,515  
Interim dividend 32,298 515,000  
In respect of previous year.

Valuation of investments, including the dollar premium 26 1/2 per cent (20 per cent), at September 30 was £51,511,101 (£43,537,971 at March 31, 1971) and net asset value per Ordinary 85p share after prior charges at par 88.0p (72.9p).

ON GROUP sales of £57.5m, against £56.4m, profit, before tax of McKechnie Brothers was down £338,000 to £3,995,000 for the year to July 31, 1971, after a sharp contraction from £3,210,000 to £3,182,000 for the first half.

The dividend is effectively maintained at 16 pence, with a final of 11 pence, adjusting for one-for-two scrip issue. Prior to the scrip issue Ordinary holders received one share for every 15 as compensation for dilution of voting rights.

Chairman, Mr. K. M. Leach, says there was a general slowing down in the economy in the U.K., South Africa and New Zealand. Further the price of copper fell during the year from £561 to £460 a tonne.

In the circumstances sales of £58m (£59m) profits before tax and before metal account of £5.8m (£5.2m) and after tax profit at £2.4m, compared with the previous year's record £2.6m, represents a creditable performance," says Mr. Leach.

Profit turnover 1970-71 1969-70  
Profit before tax £7,000 £6,400  
Stock before tax 5,905 5,228  
Taxation 2,478 2,510  
2,478 2,510  
Attributable 2,387 2,628  
Preference div. 14 14  
Ordinary 2,373 2,614  
Plant reserve 174 132  
Stock reserve 23 —  
Includes share of associated companies' profits £260,000 (£209,000), but excludes depreciation, unused metal stocks—£384,000 after tax (£353,000 appreciation) which has been added to stock reserve.

Earnings per share are shown at 7.5p (7.9p).  
Meeting, Liverpool, December 16.

## Southern Constructions

Southern Constructions (Holdings) is maintaining its interim dividend at 5 pence for 1971 and directors are confident that the final dividend will be held at 20 pence.

In the first half amounting to £100,877 against £119,756. After tax of £40,350 (£53,590) net profit was £60,527 compared to £65,866. Pre-tax profits last year were £233,187.

Sales and work done in the six months was £1,547,513 (£1,280,311). Directors say the escalating costs on long term fixed price contracts won in 1969 have had a greater adverse influence on

results this year than anticipated. Practical completion of these contracts has now been achieved and the excess of actual over anticipated costs will not be repetitive.

Although trading conditions are not yet stable the Board's policy of tendering for contracts of shorter duration is showing benefit although it produces a problem in respect of continuity for employment of resources.

With £1.5m. of new work recently secured or awaiting Ministry approval, including the Birdham sewerage scheme and Chichester sewage disposal works, directors look forward to the benefit of an established, experienced organisation situated in an area of increasing work.

## 300% scrip by Farrow and Jackson

FOLLOWING the mid-way rise from £26,000 to £28,000 engineers Farrow and Jackson and Purdy has turned in a group pre-tax profit of £223,307 for the year ended July 31, 1971, and is recommending a final dividend of 15 1/2 pence, making 27 1/2 pence.

A three-for-one scrip issue is also proposed. In June, the directors said that the pre-tax figure would be of the order of £100,000, and the dividend would not be less than the previous 25 pence.

For the year ended July 31, 1970, there was a pre-tax profit of £112,704. The net profit for the year is £69,327 covered with £55,718 and is after tax of £32,980 (£46,988), but before deducting exceptional items of £9,676 (£5,923).

## STRAKERS

Strakers (Newcastle) proposes to change its name to Getan and to increase the capital £500,000 by the creation of an additional 8m. Ordinary shares so as to have in hand more shares for issue either in connection with certain proposed acquisitions or to the public if the occasion arises. It is also proposed to increase the borrowing powers.

APPOINTMENTS

# Lord Redmayne heads Retail Consortium

Lord Redmayne, deputy chairman of Harrods, has been elected chairman of the RETAIL CONSORTIUM.

Founded in 1967, the Retail Consortium now consists of six organisations covering department stores, co-operatives, multiples and independent retail shops.

Much of the work done by the consortium stems from meetings between its professional officers and ministers and officials of government departments.

Mr. Michael E. Kelsey has been appointed director of operations of CONSOR ELECTRONICS with overall responsibility for manufacturing processes and quality assurance.

Mr. Paul Needham has been appointed a joint managing director of JARMAN AND SONS, a subsidiary of Kennedy Duff Savage.

Mr. C. M. A. Simon and Mr. R. W. Taylor have been appointed directors of TARGET LIFE ASSURANCE COMPANY.

Mr. William Somerville a member of the group policy committee is retiring on October 31 from the Board of the IMPERIAL TOBACCO GROUP and as legal adviser.

Mr. J. G. N. Edge, managing director of GEORGE CLARK (SHEFFIELD) has been appointed chairman. He succeeds Mr. J. S. Ridges, who has retired from the Board.

Mr. Stephen Wolochin has been appointed to the Board of the SPERRY AND HUTCHINSON COMPANY and will be responsible for marketing.

Mr. A. E. Richmond-Watson has been appointed an assistant director of MORGAN GRENFELL AND CO. from November 1.

Mr. Charles Graham has been elected president of the COUNTRY LANDOWNERS' ASSOCIATION.

Dr. A. J. Martin, managing director of Pharmax, has been appointed a director of the parent company LRC INTERNATIONAL. He succeeds Mr. A. R. Reid, who has retired from the Board of field have been appointed as

LRC but remains as a consultant and becomes chairman of Courtenay Wines (International), a member company.

Mr. Ronald G. Lagden, chairman and managing director of QUAKER OATS, has been appointed to the newly-created position of director—Europe in addition to his present responsibilities.

Mr. Michael S. Lambert has been appointed managing director of STANLEY GIBBONS PRODUCTS.

Mr. J. A. Reeves, at present the commercial director of the WEYBURN ENGINEERING COMPANY, has been appointed deputy managing director.

Mr. G. H. Hicks, an executive director of PHOENIX ROBERTS (WESTMINSTER), has been appointed deputy chairman.

Mr. C. R. Glyn, of Slater Walker, has joined the Board of ARGYLE SECURITIES following the closure of Slater Walker's offer for the remaining shares in the company.

Mr. H. J. Ball and Mr. S. W. Fryer have been appointed directors of SHEPPBRIDGE ENGINEERING LIMITED. They are respectively managing director of Sheppbridge Equipment and Advance Motor Supplies.

Mr. C. R. Freeborough has joined CADBURY SCHWEPES FOODS as finance director. Mr. K. G. Collier, previously finance director, is now deputy chairman of the Cadbury Schweppes Group.

Mr. Jack Goodridge, managing director of BRICKHOUSE DUDLEY, has been appointed chairman in succession to Mr. Ralph Godfrey, who has retired but remains a consultant.

Mr. I. R. Lennox is to retire on October 31 from the Board of the Shellabear Price, Shellabear Price Contractors, Shellabear Price (Scotland) and Shellabear Price (Overseas), but will remain a non-executive director of the parent company, SHELLABEAR PRICE (HOLDINGS).

Mr. E. J. Ball and Mr. D. C. Benson have been appointed as

directors of Shellabear Price Contractors from November 1.

Mr. A. A. Willett has been appointed deputy managing director of CABLE AND WIRELESS from November 1. He was appointed a director in 1967.

Mr. Warren K. McOmber has been appointed by SHEARSON HAMMILL AND CO. INC. as first vice-president in charge of its company's newly-created international division. He joins the company from the London office of the First Boston Corporation.

Shenron is opening an institutional sales office in London at the beginning of next year under the management of Mr. W. H. McQuinn, who has been appointed a vice-president.

Mr. R. F. Thorne, marketing director of Standard Telephone and Cables, has been elected president of the BUSINESS EQUIPMENT TRADE ASSOCIATION for 1971-72.

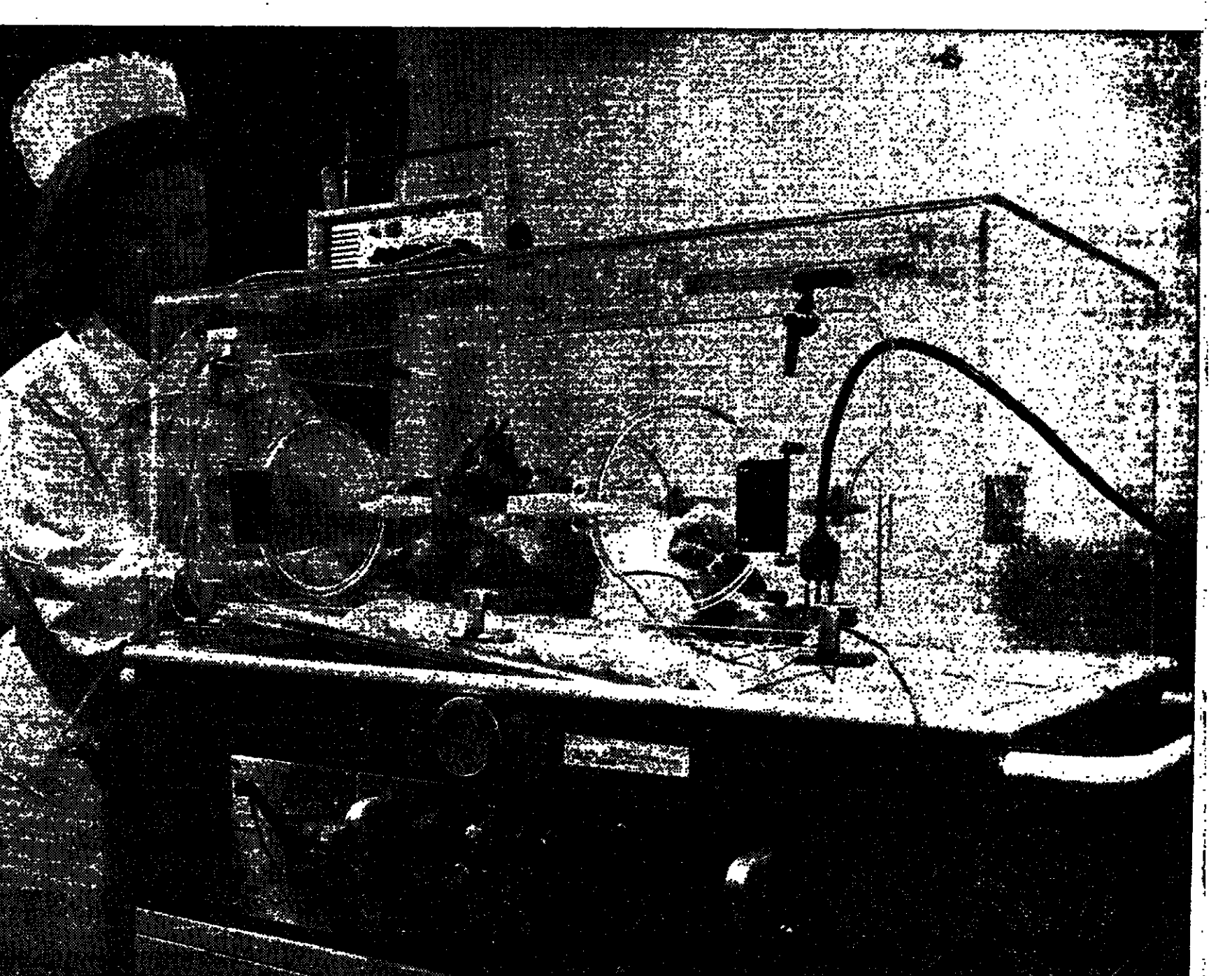
Mr. E. C. Cording, a partner in RELISHA & CO., brokers, has retired after over 54 years with one firm. Mr. Andrew Alexander has been appointed head of the research department.

Mr. I. C. Malcolmson will be leaving J. & A. SCRIMGEOUR brokers, and joining QUILTY HILTON GOODISON & CO. brokers, as an associate member on November 1.

Mr. W. B. M. Duncan, president and chief executive officer of K North America, and Mr. E. W. Pennock, chairman of ICI Agricultural Division, have been appointed directors of IMPERIA CHEMICAL INDUSTRIES, Mr. Duncan from November 1 and Mr. Pennock from January 1.

Mr. G. S. Roberts, an agricultural division deputy chairman, has been appointed chairman of that division from January 1. Mr. F. Turnbull, chief accountant of the agricultural division, has been appointed a director of the division from November 1.

# I wonder how...



# ...they make early arrivals at home?

These days they put premature or delicate babies in infant incubators like the one in the picture. It's safest, by far.

There's a lot to be said for doing this. Take warmth, the constant warmth essential to infant nursing. The special system on this infant incubator maintains micro-control of the temperature under the canopy.

The air flow, the humidity and the oxygen intake are quickly and precisely adjustable to very fine limits. Air, of course, is filtered before it enters the canopy. 'Elbow touch' opens nursing doors, so nurse can keep her hands aseptically clean. There's a side door for emergency procedures. Let's add, to make protection doubly sure there are interrelated alarm systems sensitive to any contingency.

These are matter of fact features and controls that modern hospitals require.

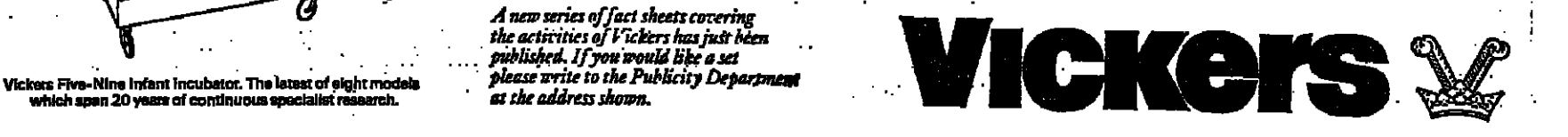
In medical parlance it's summed up as—'Vickers are providing the exact environmental conditions for infant nursing'.

Strictly, you have to thank engineers as well

as nurses, doctors, specialists and scientists for making premature birth much less of a risk than it was. There's so much engineering can do these days. Thank goodness nothing need now be left to chance for any baby.

Moreover when you consider the chances are this equipment could be linked into an oxygen pipeline system designed and manufactured and installed by them, you might say Vickers Medical Engineering one way and another is playing its part in giving future citizens (including—who knows—young engineers of the future) a good start in life.

Vickers Limited  
Vickers House Millbank London SW1



## House of Sears pays 8%

House of Sears (Holdings), manufacturers and sellers of leisure garments, announces a final dividend of 3 pence, making 8 pence for the year ending June 30, 1971. This compares with a single payment (interim) of 5 pence for the previous year, and with a total of 14 1/2 pence for 1968-69.

Sales increased from £1,326,048 to £1,514,519, while profit partially recovered to £55,354 from £37,392, before tax of £21,784 (£17,731).

Mr. H. M. O. Knox, chairman, states that sales and profits for the first three months of the current

## BARCLAY SECURITIES

BARCLAY SECURITIES will consider the possibility of a separate quotation for its toy interests, but has no immediate plans to do so. This was stated by Mr. John Bentley, chairman, in London yesterday on the occasion of the merger of the three Barclay toy companies into Barclay Toy Group. The companies are Disobel

## I.O.S., Ltd. Dividend Notice

Notice is hereby given that the Board of Directors of I.O.S. Ltd., has declared a dividend payable on October 25, 1971 to each shareholder of the company of record at the close of business on October 22, 1971. The dividend entitles shareholders to receive, for each ten shares of I.O.S. Ltd., held by them, one share of International Bancorp Limited and a certificate entitling the bearer to participate to the extent of US \$1.00 in the 7 1/2% debentures due 1979 of International Bancorp Limited.

I.O.S. LTD., BEARER SHARE WARRANT HOLDERS

On and after October 25, 1971, and subject to the regulations relating to the bearer share warrants representing common shares of I.O.S. Ltd., holders of such bearer share warrants may obtain the dividend to which they are entitled by delivering or mailing, by registered post, coupon No. 1 attached to their bearer share warrants, together with the completed stub below to:

I.O.S. Ltd.  
4 Avenue de Secheron  
1211 Geneva 21  
Switzerland  
Att.: Kenneth L. Beaugrand, Secretary Dept. SIDD

Number of shares represented by the Coupons No. 1 enclosed with this stub.

Please Print:

Name of bank to which dividend should be sent:

Address of

Bank

Account Number at bank to which dividend is to be credited.

I.O.S. LTD., REGISTERED SHAREHOLDERS

Holders of registered I.O.S. Ltd., Preferred and Common stock have been notified, at their latest known address, of the dividend declaration and the procedure for obtaining the distribution.

Registered shareholders who have not received the notification should complete the stub below and mail it to I.O.S. at the above address.

As a holder of registered Preferred/Common shares of I.O.S. Ltd., please send me a copy of the dividend notice and distribution procedure sent to all registered shareholders.

Please Print

Name

Address

Signature



# F.T. INDUSTRIAL RELATIONS CONFERENCE

**SPEAKING AT the second and final day of the Financial Times Conference on Industrial Relations in London, Mr. Victor Feather, TUC General Secretary, said the unions will continue to be adamant in their opposition to the Industrial Relations Act.**

It was astonishing, he said, that the Government should want to cast aside the progress that was being made in favour of a statutory solution which was contrary to the Donovan Report.

But the Solicitor General, Sir Geoffrey Howe, told the conference that in his view the Act provides a set of remedies which will succeed where the old system had broken down. It was, he said, designed to encourage constructive reform.

One of the most important aspects of the Act was the definition of new legal rights for the individual worker in relation to his trade union and employer, said Sir Geoffrey.

## UNIONS AND THE ACT

### Struggle will go on warns Feather

**THE INDUSTRIAL Relations Act was irrelevant to the important job of improving industrial relations in Britain, Mr. Victor Feather, TUC general secretary, told the conference in London yesterday.**

Mr. Feather said he had already had the effect of holding up constructive action which was intended to improve relations in industry.

A major reason for opposition to the Act was that it ran totally against the grain of current thinking on the reasons for industrial relations difficulties. It was contrary to the thinking in the Donovan Commission report, which gained general support.

It was astonishing that the Government should wish to cast aside the progress which had been made in favour of a statutory solution which was specifically rejected as irrelevant by the Donovan Report.

The Act revealed a fundamental misunderstanding of the position which was all about. It attempted to define unions as autonomous power structures, like business corporations, rather than as organisations which were the essence of trade unionism was its capacity to provide a day-by-day means of democratic representation of workers' interests.

## Political

A cursory examination of the Act in which the Act departs from the Donovan Report was that it was designed to weaken the negotiating strength of organised workers. It was scarcely surprising that trade unions had taken up the Act with such opposition. The Bill, Mr. Feather said, was that trade unions would continue to be adamant in their opposition to the Act, and in their refusal to co-operate with it.

There were no grounds for arguing that the improvements proposed in the Donovan Report had led to come about and that the Act was necessary because of this. Mr. Feather went on to stress that it will be in the interests of industrial harmony for employers to make quite clear that they are not trying to operate the Act, and are relying on the common-sense approach.

We know already that employers will not try to make an issue with the trade union movement over the provision in the Act that all collective agreements should be legally enforceable. As containing a clause to the contrary, evidence is now coming in from all parts of the country—all industries—that employers are signing non-binding clauses.

We fully recognise the need to reform procedures in certain cases, such as engineering, but the Government to have suggested or implied that legal enforcement is the answer, denotes the ignorance of the real problem. The proposal that the NIRC should have power to impose a legally enforceable clause on companies where employers and unions have failed to come to an agreement can hardly be expected to produce any result other than to make the situation worse.

Referring to the so-called "protection" given by registration far as damage suits are concerned, Mr. Feather said the real point was that such protection would only accrue to a registered trade union "if it goes to the NIRC."

## LABOUR COURTS

### Unions and management now the concern of all

**JOE CYRIL GRUNFELD, who on secondment from the London School of Economics to be an adviser to the Commission on Industrial Relations, said that the Act evolved from a movement which began in the early sixties when industrial relations turned on a purely private affair to a matter of public concern.**

For example, a collapse of the steel motor industry was not just a parochial disaster but would be felt nationally. While unions and management mostly managed their own affairs they could not validly argue that their affairs were not the business of anyone else.

## Illusion

The intention of the Act was to provide for a wide range of consultation services. However, the action of the layman that every part of the legislation would be constantly every day was incorrect.

The primary emphasis in the Act of this will be on conciliation processes and voluntary settlements, said Prof. Grunfeld.

The industrial Tribunal, the court which would be responsible for handling many disputes arising from the legislation, came into action in a quiet manner in 1971, he recalled.

enough: one cannot have it both ways.

"Collective bargaining will prosper, the new emphasis being placed on non-wage benefits, that is, the emphasis on job and income security, on fringe benefits, and procedure in the workplace. Quite apart from the question of holidays and the length of the working week, more and more agreements will need to deal with such things as: employee status, employment guarantees, redundancy provisions, and all of these commensurate with the importance of employment in a man's life. Occupational pensions will be sought and improved. Agreements will be concerned, too, with the degree of control which workpeople have over their jobs and their working conditions; the voluntary system has disciplinary procedures; joint safety committees; and the whole area now known as the "status quo."

The widespread development of agreements covering this range of issues is urgent and inevitable.

Dealing with the code—almost an afterthought to the Bill—Mr. Feather stressed that it was inadequate in many vital respects, and the TUC was now issuing its own guide to good industrial relations.

"It will be neither propagandist nor platitudinous. It will take as its starting point the need for effective collective bargaining and speedy and equitable procedures for avoiding disputes. It will be need for strong trade unions to make industrial democracy a reality."

"I sum up our approach over the coming months as 'constructive progress on a basis of non-cooperation with the Act.' We shall be constructive, because we shall be facing up to the real issues of concern to employers and trade unionists. But we must also follow a policy of non-cooperation, because only in this way can constructive developments be brought about.

The fact is that the Government backed on their Industrial Relations Act and heavy unemployment to make working people and their unions less active in seeking a proper redistribution of wealth.

But by implication, strengthening unions means giving their executive committees greater powers to discipline members who step out of line with their instructions; and that of course is a diminution of the freedom of the individual. The point is simple.

The Act was not working the way the Government wanted it to work, or even hoped it would work, he declared. No trade unionists would be found to serve the Commission on Industrial Relations and only a small handful were left on the Industrial Tribunal.

By the time the tribunals came to deal with cases under the Act the trade union boycott would be complete.

"I think that it was marked out for a much more ambitious role," he said.

At first it handled bits and pieces of jurisdiction but in 1965 it was given the job of handling disputes arising from the Redundancy Payments Act. Under the new legislation the tribunal's major role would be concerned with unfair dismissal.

"If this law of unfair dismissal had occupied an Act by itself it could have been recognised as a crucial breakthrough in the labour laws of this country," he told the conference.

"Unfortunately because of the inertia in industrial relations we have suddenly to deal with a very large piece of legislation which includes this remarkable development."

The professor added that he felt there had been a change in industrial leadership. The new type of industrial leader knew that he could make a mistake and was prepared to see his decision go to an independent tribunal. He would also be prepared to abide by the decision of the tribunal, even if it went against him.

The conciliation officer had powers of intervention and only



Mr. Victor Feather

## INDIVIDUAL RIGHTS

### Act will bring new remedies

**THE INDUSTRIAL Relations Act was not intended or designed to compel change in any given situation. Still less should it be regarded as some kind of industrial strait-jacket designed for universal application, Sir Geoffrey Howe, QC, the Solicitor General, told the conference.**

"What the Act does is provide a set of new remedies which may be useful in certain situations for avoiding disputes and settling them. It is designed, of course, to support and encourage pressures for constructive reform. But these are not, and are not intended to be, an alternative to the traditional system of industrial warfare which has cost the community so dear in recent years."

Sir Geoffrey said that one of the most important aspects of the new Act was the establishment of new legal rights for the individual worker in relation to the treatment he received from his trade union and his employer. He said that the Act was designed to bring about a new right to belong to a trade union and the right not to belong, and the right to complain to an industrial tribunal against unfair dismissal and new right to receive longer periods of notice and more information about a worker's terms of employment.

"If a worker is dismissed simply because he joins or seeks to join a union such dismissal will automatically be regarded as unfair dismissal," added Sir Geoffrey.

This was an important new right for the individual and was long overdue in this country. He said that the Act was designed to bring about a new right to belong to a trade union and the right not to belong, and the right to complain to an industrial tribunal against unfair dismissal and new right to receive longer periods of notice and more information about a worker's terms of employment.

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## A fresh appeal to unions

**AN APPEAL to trade unions to co-operate with the Commission on Industrial Relations was made by Mr. Len Neal who was making his first major speech since being appointed chairman of the CIR—a post he takes up on Monday.**

"I want to appeal for a fresh look at the situation now that the Parliament has passed the new Act," he declared.

The debate over the whole question of reform in the last few years has not been particularly edifying and in recent periods it has revealed the protagonists, on most sides, in some of their worst forms and prejudices. With some people, belief in one thing is founded in blind belief in another. They have been those who think that organised labour is like a baby—an alimentary canal with a big appetite at one end and no sense of responsibility at the other.

Mr. Neal went on to say that the debate over how industrial relations should be reformed had gone on for long enough. But a clash of doctrines is not a disaster. It is an opportunity. And in every opportunity there are difficulties, but in every difficulty there is an opportunity. It must be that hope of reasonable compromise which we must grasp these opportunities," he declared.

On all sides of industrial and political life he had found very few who did not accept the need for reform in the interests of all. It was quite impossible to maintain the view that industrial relations could still be conducted as an exclusively private affair between management and trade unions while everyone else looked on praying for peace.

The real problem, he said, was the failure of employers and unions to get to grips effectively with the problems thrown up in conditions and respond to them by discussion and negotiation.

The need to reform and extend collective bargaining issues was common ground and the main burden must always be carried by management and unions representing employees.

But there were many situations where a disinterested and experienced party could supply ingredients to effect necessary improvements. That was the role the commission had established for itself and it would continue this approach under the new Act.

What, however, would be new in the role would be some extra sanctions and new methods for settling union recognition disputes and improving procedures in cases where voluntary agreements ultimately eluded the parties concerned.

These new methods were complementary to the continuing work of the voluntary reform of collective bargaining and were for use in cases which proved to be intractable by voluntary methods alone.

The commission then retained its third party role with the advantages of a disinterested approach of thorough inquiries and accumulated experience. The underlying necessity of arriving at mutually agreed solutions to particular problems remained the central driving purpose.

Given the right sort of co-operation, he said there is no reason why the voluntary bargaining system should not be improved at a faster rate. The commission's specific tasks under the Act were involvement in remedial work, the definition of bargaining units and recognition of sole bargaining agents, and new responsibilities in connection with agency shop agreements and approved closed shop agreements.

Finally, there would be the publication of an annual report on an important value for the commission's educative role.

For both sides to get together. Most trade unions would attempt to conclude domestic agreements rather than have them decided by tribunals. They would want to tackle with management the problems concerning dismissal and arrive at some sensible agreement.

If they had to go forward in industrial relations they would have to have some simple agreement on procedure to keep. It was an area in which they had to look for positive results and people's attitudes had to be reconciled with procedural agreements.

In the end the whole matter came down to one of human relationship. In the ultimate, conceded that people at the shop floor level might make a very loud noise. They might try and bring to book those people who were of their obligations. However, if a shop steward asked for his advice on the problem he would tell him to use his common sense.

## SPORT: TENNIS

### Now Nastase topples No.1 seed Newcombe

BY JOHN BARRETT

**THE LATEST victim at the Embassy Championships at Wimbledon was none other than the Wimbledon champion, John Newcombe, who fell to the maturing artistry of Romanian Nicu Nastase 9-7, 6-3 in the quarter-final round.**

There was, this time, some excuse for the No.1 seed to join the list of distinguished victims, for in the third game of the second set, Newcombe, in twisting for a sharp return, again damaged his right knee. An injury originally suffered in the final of the U.S. Open last September. From that point he offered little more than token resistance.

Even before the injury, however, Nastase had shown enough delicacy of touch to suggest that his growing talents are taking him towards the top of the world game. The way he handled Newcombe's fast and deceptive services on this fast carpet showed his reflexes to be extremely sharp. He started well by breaking the top seed's service in the very first game but signalled his tension by losing his own in the fourth game.

Having got that bad moment over the way, as it were, he was more relaxed. Nastase broke service again in the 15th game by capitalising on a lucky mishit backhand shot that dipped with top spin sharply across the court to give him game point. Some time was served. Newcombe punched his backhand volley well beyond the baseline. The Romanian made no mistake on his own serve and moved ahead 9-7. To his credit, Nastase did not allow Newcombe's injury to upset his own game as it is so easy to do when playing a handicapped opponent.

The other early men's winner was the Australian now domiciled in South Africa, Bob Hewitt, who handled the left-handed serves of Australian Ray Ruffels to such effect that he scored a 6-4, 6-3 victory that was quite painless. So sure was Hewitt now become of his service returns—he always returns the ball on the backhand side against left-handers—that Ruffels was over-pressing by the middle of the first set.

In the seventh game, he projected two hasty double-faults to lose his serve and in the second set another costly double-fault accelerated his downfall as he lost his third service of the match. Hewitt and Nastase have both proved the given time, it is perfectly possible to play secure ground strokes on his last surface.

Billie-Jean King, the No.2 seed, was in commanding form against her compatriot, Patti Hogan, and allowed her only three games, all in the first set. Mrs. King has looked extremely sharp this week and appears to be relishing the prospect of a return match against her Wimbledon semi-final conqueror, Evonne Goolagong. First of course, she will have to beat her one-time doubles partner Rosie Casals in today's semi-final, and, for that matter, Miss Goolagong will have to overcome the cunning game of the Frenchwoman, Françoise Durr, who yesterday was a class ahead of Betty Stove, of Holland, whom she beat 6-1, 6-4, largely on the Dutch girl's errors.

**ZUCKERMAN COMMISSION'S N. WALES VISIT**

Lord Zuckerman, chairman of the Commission on Industrial Relations and Environment, together with four members of the Commission, visited North Wales recently.

They toured areas of the Mersey Estuary and Gedy-Brenhin Forest (which planning permission has already been given to Rio Tinto-Zinc by the Secretary of State for Wales to drill under certain conditions) as well as state quarries at Blaenau Ffestiniog.

**Summary from the accounts, for the year ended, 30th June, 1971, and from the Statement of the Chairman, Mr. H. N. Sporgborg, CMG.**

Business increases, reduced money costs and completion of our reorganisation contributed to the increase in profitability. Our new leasing company got off to a good start. In addition, Crane Western Finance was established in partnership with Crane Fruehauf Trailers Limited.

Publication of the Crowther Committee Report on Consumer Credit pleased us because we had already started to conduct our business in many of the ways it suggested. The Bank of England's Green Paper on Credit Control and Competition recognised the importance of financial houses as members of the banking industry and also their function as retail banks.

The name of our banking subsidiary has been changed to Western Trust & Savings Limited, which will shortly announce new savings and lending plans. We are convinced that the future lies in a retail banking system with money lent directly to individuals. The lifting of ceiling controls will put us in a position to expand our business for the first time in many years. We believe our reorganisation has equipped us to do this quickly and profitably, and that we have the ideas and the management to plan a leading part in the evolution of the new system of retail banking.

I have every hope that we shall be able to report further improved profits to you in a year's time.

Mr. H. N. Sporgborg CMG  
Chairman  
Western Credit Holdings Limited.

Loans and advances outstanding less provisions

As at 30.6.71	As at 30.6.70
£8,643,155	£7,545,551
Year to 30.6.71	Year to 30.6.70
£310,779	£209,332

Profit before Taxation  
Net Profit after Taxation and Minority Shareholders Interest  
Earnings per Ordinary Share of 25p for the quarter

5p	2p
£189,665	£103,889

At the Annual General Meeting held yesterday, Mr. H. N. Sporgborg informed Shareholders that in future there would be quarterly announcements of profits. He also announced the following figures:

Loans and advances outstanding less provisions	As at 30.6.71	As at 30.6.70
£9,512,622	£7,728,584	
Quarter to 30.6.71	Quarter to 30.6.70	
£195,153	£172,416	
Profit before Taxation	£64,748	£40,538
Net Profit after Taxation and Minority Shareholders Interest	19p	7p

Western Credit Holdings Ltd.  
Phoenix House  
Notte Street  
Plymouth, PL1 2RR

**M.F.I.** Household furniture and allied products sold by mail order and through retail warehouses.

**Prospectus forecast exceeded**

Features from the Statement by the Chairman, Arthur C. Southon

Pre-tax profit for the 52 weeks ended 29th May 1971 was £911,554 compared with prospectus forecast of £875,000 and £532,182 for the previous year.

Current figures for mail order and retail sales show anticipated growth over last year, with turnover for the first four months ahead of the Company's forecast in each sector. MFI intend to open four new retail warehouses this year. New branches will open shortly at Staines and Catford, and other sites are currently being considered, certain of which are in an advanced stage of negotiation.

Year	Turnover	Pre-tax profit
1967	£1,005,209	£57,141
1968	£1,632,281	£152,538
1969	£2,096,713	£256,201
1970	£3,717,984	£532,182
1971	£6,052,710	£911,554

Copies of the Annual Report and Accounts may be obtained from The Secretary, New Stadium Works, North End Road, Wembley, Middlesex.

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The North East for profitable business

## Govt. urged to pay 90% of road bill

THE GOVERNMENT should pay 90 per cent of the costs of roads in towns and cities, the British Road Federation said yesterday. Otherwise road links essential to Britain's motorway network would be seriously delayed.

At present, the Government is responsible for motorways and trunk roads, and gives a grant to local authorities for principal roads. Now there must be a radical change in local authority grants, the federation said.

With the coming local government changes, some purely urban roads will form links in the national system and would no longer satisfy the "local use" criterion.

Mr. Robert Phillipson, director of the federation, said: "We believe all major road schemes whether urban or rural are of national importance and the bulk of the financial responsibility for ensuring their construction must lie at the centre."

"We see the redrawing of responsibility between central and local authorities as a rare opportunity for rethinking the allocations for local road programmes."

He suggested there should be a "hierarchy" of roads so that trunk roads received a 100 per cent grant, primary roads 90 per cent, and principal roads downgraded from 75 per cent to 50 per cent.

The federation, therefore, suggests that falling a total shake-up of local authority financing, the Government should at least take interim measures to equalise the costs among the authorities which will form the new metropolitan counties.

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## BANK RETURN

	Wednesday October 27 1971	Inc. (+) or Dec. (-) for week
<b>LIABILITIES</b>	£	£
Capital	14,553,000	8,265,789
Public Deposits	12,765,256	Nil
Special Deposits	Nil	Nil
Bankers' Balances	306,712,288	11,509,612
Reserves & Other	211,900,297	12,185,987
<b>Assets</b>	£	£
Govt. Securities	561,002,712	5,175,000
Advances & Other	30,210,608	3,894,211
Loans	111,789,445	17,311,307
Other Assets	35,042,704	2,850,846
<b>Total</b>	£47,866,611	£2,850,846
Reserve	35,862,746	2,878,060
Bank Rate	5%	—

## ISSUE DEPARTMENT

	£	£
LIABILITIES		
Notes Issued	2,700,000,000	—
In Circulation	2,684,851,294	2,856,846
In Bank's Hands	15,148,706	2,856,846
<b>ASSETS</b>		
Govt. Debts	11,016,100	—
Other Govt. Secs.	3,289,785,801	21,971,145
Other Securities	419,055,859	21,971,145
Cash	150,000	—
<b>Total</b>	2,700,000,000	—

## Drambuie LIQUEUR

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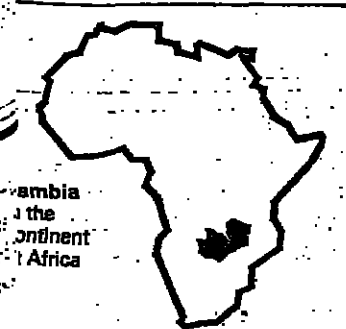
## Part of Scotland's tradition



# RCM review

The following are extracts from the annual statement to shareholders, dated October 7, 1971, by the Chairman of Roan Consolidated Mines Limited, Mr. Dominic C. Mulaisho.

On June 30, 1971, Roan Consolidated Mines Limited completed the first full financial year of its existence. Sadly, the most significant event of that year was the calamitous accident at Mufulira mine in September 25, 1970, in which 18 men perished, and much of the mine's productive capacity was lost. I should like to record my appreciation of the response received from within Zambia and abroad which went far beyond sincere expression of sympathy and included substantial financial assistance for the bereaved families.



The long, difficult and costly process of rehabilitation began at once and has continued ever since. The dedication of Mufulira's staff has suited in better progress than at one time was thought possible. Nevertheless, the mine's finished production will for many months yet, reduce to be barely half the monthly level of 16,000 tonnes we had hoped to achieve.

A commission of inquiry into the Mufulira accident was appointed. His Excellency the President on September 23, and in view of the gravity and urgency of the subject, the Ministry of Mines and Mining Development was able on February 17 to authorize the publication of an interim report on the causes and facts of the accident. This report showed that the practice of pouring concentrator tailings into depressions on the hanging wall side of the e-body started as far back as 1933. It was not until 1963 that it was decided to fill the depressions with tailings in order to prevent the accumulation of rainwater and to seal the area. A sinkhole developed

beneath the surface accumulation of tailings, and through this over a million tonnes of tailings, rock and soil rushed into the mine.

The report recommended that the Ministry of Mines and Mining Development should take an active part in planning the resumption of production and in reviewing the mining methods used at Mufulira. The report emphasized that the tragedy was neither human-engineered nor could any one individual have exercised any control over the inevitable conclusion once the causes had been set in motion.

The final report, which will probably be made public prior to this statement, supports the general conclusions and recommendations of the interim report. In brief, the recommendations are that the rehabilitation programme proposed by the company be accepted; certain organizational changes be made in the government mines department so that it can assume additional and wider responsibilities; that further studies of surface subsidence throughout the Copperbelt be continued; that the management system at Mufulira be reviewed to provide more formal and regular discussions between management and technical departments with written records kept; that greater promotion of free exchange of ideas between Copperbelt mines be pursued, and that experience from outside is welcomed and utilized; that new regulations with regard to waste disposal be legislated; and that all personnel should carry some resilient type of identification while at work.

## OPERATING RESULTS

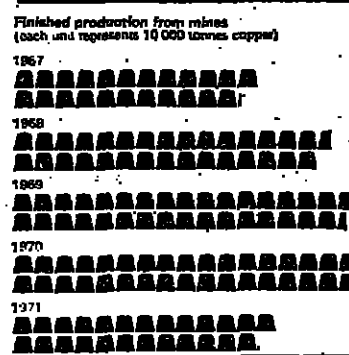
Production and sales finished copper production in the year ended June 30, 1971, was 250,355 tonnes, the lowest since the year ended June 1967. Production was well maintained at all mines except Mufulira as shown in the figures of recoverable copper in mine production. (See table.)

Mine Production in Tonnes	1970/71	1969/70
Mufulira	75,344	166,262
Luanshya	101,780	101,894
Chibuluma	24,631	24,973
Chambishi	32,797	24,412
Kalengwa	10,466	4,154
<b>Total</b>	<b>245,078</b>	<b>321,695</b>

During the year, 258,103 tonnes of copper were sold at an average realization price of K822 per tonne. Sales exceeded finished production, which in turn exceeded mine production due to a temporary

run-down in pipeline and process stocks.

Cobalt hydroxide filter cake containing 922 tonnes of cobalt produced from Chibuluma concentrates at Chambishi was sold to Nchanga Consolidated Copper Mines Limited.

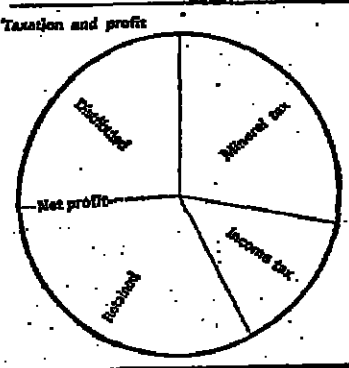


## FINANCIAL

The net after-tax profit of the company for the year ended June 30, 1971 was K48.8 million, out of which K22.6 million has been transferred to a reserve for capital expenditure, K0.5 million to debenture stock redemption reserve and K3.7 million to general reserve. The balance of K22 million has been made available for distribution to shareholders.

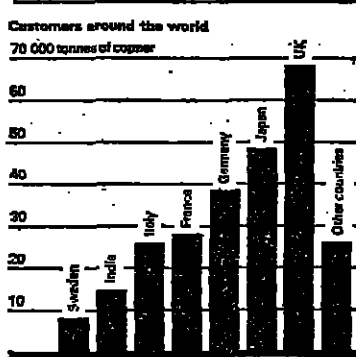
Three equal quarterly dividends of K0.40 per share gross (K0.22 net after tax) were declared in November 1970 and in February and May 1971. The fourth quarterly dividend of K0.12 (K0.066) was declared in September 1971 and took into account the currently lower copper price and the heavy capital expenditure programmes. In particular for the development of the Luanshya (Baluba) and Chambishi expansion projects, and the rehabilitation of Mufulira mine.

Negotiations are in progress for loan finance to cover the major part of the expansion projects.



## COPPER MARKET

Copper prices for the year ended June 30, 1971 were down from the level of the previous year by about a third. London Metal Exchange prices continued to fluctuate, with the average cash sellers' price for wirebars falling from £568 per tonne in July 1970 to £421 in January and rising again to £477 in March and ending the financial year at £448. The price peaked above £500 again in July this year but has since reached the lowest level for four years and at the time of writing is £418 per tonne.



The possibility of a world surplus in copper production capacity has been of concern to the industry for some years, and during the past year, a moderate excess of production over consumption has developed, partly due to the world-wide industrial recession.

The surplus has arisen in spite of various unplanned production curtailments, including a strike in July and August affecting most of the United States producers. Labour and other problems have reduced output in South America and the Mufulira accident has had its effect.

Stocks of copper in London Metal Exchange warehouses, which rose from 31,000 tonnes in July 1970 to 100,000 tonnes in June 1971, had grown by early October to 128,000 tonnes. The continuous availability of nearby copper on the London Metal Exchange has caused the cash price to remain steadily below the three months forward price giving the customers of producer copper, which is still sold on the basis of the cash price a significant advantage.

## OPERATIONS

Mufulira-Division The consequences of the accident at Mufulira were felt throughout the year. Although a great deal has been achieved, a large amount of rehabilitation work still remains to be done.

Following the accident, work was initially directed towards preventing flooding of the mine. Protective concrete bulkheads and temporary pumping systems were installed and it became possible to return to limited production. Authority to resume mining by caving methods under the western end of the No. 3 tailings dam has been given and stopping has commenced. In the affected area of the mine's support method of mining, utilizing sand filling, will be used.

By January of this year it had become possible to use the Prain rock hoisting shaft and No. 14 shaft at the western end of the mine for hoisting, and a production rate of just over 5,000 tonnes of copper a month was attained.

Since then, efforts have mainly been directed towards the rehabilitation of the Peterson shafts in order to handle ore from the deeper eastern end of the mine. Limited hoisting of ore through one of the Peterson shafts began early in October, and by the end of the month, the second shaft should also be available for ore hoisting, resulting in an increase in the production rate to about 8,000 tonnes of copper a month.

The rehabilitation work, particularly the installation of emergency pumping systems, had to be undertaken in the face of the greatest difficulties, and full credit is due to the efforts of all concerned.

Luanshya Division In February an agreement was reached whereby Roan Consolidated Mines Limited acquired the Baluba orebody as part of the Luanshya Division. Expenditure on this project should, over the next eight years, total about K34 million, based on present-day costs. Production is planned to begin in 1973 and should reach an annual rate of 22,000 tonnes by the second half of that year, bringing the total output at Luanshya to nearly 120,000 tonnes of copper a year. Later, as output from the older sections of the mine starts to decline, production from this area will be increased to 50,000 tonnes a year.

Mining at Baluba will be by open stopping methods and a ramp from the surface will be used to take large mechanical loaders underground to a depth of 600 metres. The concentrator is being extended to deal with the additional throughput but no extensions are planned for the smaller as the existing capacity will be sufficient.

Chibuluma Division Following a decision of the board in November 1970, development of underground mining at Chambishi will increase the

mine's output to about 48,000 tonnes of copper a year during 1973. When the open pit is fully depleted it is planned that underground mining alone will have increased to 48,000 tonnes annual capacity.

In order to make the best use of concentrator capacity at Mufulira and thus to offset losses as much as possible, special efforts have been made at Chambishi to accelerate ore production, which reached a record figure during the financial year and continues at a high level. Similarly, at Chibuluma mine, although Norrie shaft was out of commission for three months while it was being re-equipped, production was fully maintained.

At Kalengwa, a concentrator with a designed capacity of 600 tonnes a day began operating in March.

Prospecting The company's prospecting operations have been mainly in areas near Kalengwa mine and on the Copperbelt, and are largely directed towards the extension of knowledge of existing orebodies or mineralized ground. During the year 10 million tonnes of ore were added to the Chambishi mine reserves.

## INDUSTRIAL RELATIONS

Industrial relations are good, and this is a tribute to the leadership of the Mineworkers' Union of Zambia as much as to management skills. There was only one significant stoppage, when underground heavy equipment drivers at Luanshya were on strike for a week.

Implementation of the September 1970 agreement, apart from a few matters which are currently subjects of discussion, has been generally smooth. Vigorous efforts are being made to improve communications with our workers by the introduction of briefing groups and joint consultation.

Zambianization continues to make good progress. Despite increases in productive capacity and the heavy commitment of expatriates to training functions, the number of expatriates employed has been reduced by more than 1,000, or one-third, in the past six years. The company attaches great importance to smooth and efficient Zambianization, and the heavy expenditure involved is considered to be wholly justified. A lack of candidates with good background in mathematics is still a handicap to Zambianization of the sub-professional and professional fields, but the rapid increase in the number of Form V school leavers is making a material contribution to the solution of this problem, and the

company was in fact able to award a record number of bursaries for technical training in 1971.

## CONCLUSION

I should like to record the excellent spirit which has prevailed in all sections of your company and the mining industry as a whole. Relations between Government, Mindco (the controlling shareholder), management and employees have justified great confidence in the company's future.

We have less grounds for optimism about the immediate financial outlook. Not only have we lost a very large amount of copper production, but the price received for our copper has considerably fallen from its previous high levels.

However, the mining industry must look to the long-term trends in world consumption rather than to the short-term fluctuations of a daily market. Our plans are therefore unaltered. In that we shall spend about K75 million in the next few years in raising the production of copper from Luanshya to 120,000 tonnes a year, and of Chambishi to 48,000 tonnes a year.

A capital programme of this magnitude imposes not only a burden on the company but also a short-term strain on the Government's revenue. I am confident that these sacrifices will be fully justified by the subsequent additional revenue from extra production. We are very conscious of the necessity for the strictest control of expenditure, for the maximum of efficiency and the minimum of waste. To increase our share of the market will require every effort to maintain the lowest possible costs and the highest possible quality.

I should like to pay tribute to my predecessor, Mr. Andrew Sandanis, for the firm foundations he laid before his resignation as chairman took effect in February this year. I should also like to convey the warm gratitude and appreciation of the board for the loyal contribution made by all employees to the well-being of the company and the prosperity of Zambia. I am sure now that we shall be equal to any task that lies ahead.

Roan Consolidated Mines Limited is incorporated in Zambia. Copies of the full text of the Chairman's statement, together with copies of the annual report and accounts, can be obtained from its London representatives, the Secretary, RST International Metals Limited, One Noble Street, London, EC2V 7DA.

**RCM**







Annual Statements—Continued

KINTA KELLAS RUBBER

The 61st annual general meeting of Kinta Kellas Rubber Estates, Limited, was held on October 28 in London. The following is an extract from the chairman's statement of the chairman, Mr. J. R. TANNOCK:

The profit for the year after providing for depreciation of £15,800, compared with £15,843 for 1969/70. The main reason for this decline in profit was the lower price of rubber which ruled throughout the year. The directors recommended a final dividend of 7½% making a total distribution for the year of 17½%.

The Tin Mining interests continued to provide an increasing addition to our income. Royalty received during the year from Kinta Kellas Tin Dressing Company, Limited, and sundry contributors, increased from £53,250 to £57,156. Our investment interest and dividends showed a modest increase.

In his review of the Company's affairs, the Chairman referred to the acquisition on 1st January, 1971 of Sungai Klah Estate and also to the construction of two new factories for the manufacture of Heveacrub rubber. He continued:

Until such time as the world price of rubber rises, it is impossible to anticipate increases in profits but your Company is well placed to weather the present depression and to provide a very reasonable return to its Shareholders.

SECOND BROADMOUNT TRUST LIMITED

REVENUE AND DIVIDEND INCREASED

The Chairman, Mr. E. B. Montesole, J.P., at the meeting recently held, said inter alia:—

Gross revenue at £124,209 shows continued growth and the net profits are correspondingly increased. The detailed valuation at the year end amounted to £2,578,069 compared with a book value of £2,517,731. Giving effect to this value, each 5p ordinary share is represented by 42½p (8s. 8d) of assets. Takeovers and mergers continue and probably tend to strengthen our portfolio.

Your Board is recommending a final ordinary dividend of 13 per cent, making in all 21 per cent for the year—an increase of 2½ per cent. A balance of £52,705 will be carried forward.

For the current year, we expect at least to repeat the present distribution.

PHOTO-ME INTERNATIONAL LIMITED

FURTHER PROGRESS ANTICIPATED

The 9th annual general meeting of Photo-Me International Limited will be held on December 16 at Seven Hills Hotel, Cobham, Surrey, at 4 p.m.

The following is an extract from the circulated statement of the Chairman, Mr. E. F. Weston, F.C.A., on the Accounts for the year ended 30th April, 1971:—

At the time of our Interim Statement we indicated there might be some necessity to provide the Group with increased financial means to meet planned objectives. Accordingly, your Directors are making no recommendation as to a final dividend because we think that by withholding such a distribution we will be acting in the better interests of our members than by diluting the equity with a rights issue.

Growth continued during the year although there were a number of problems. In the United States, losses were incurred by our subsidiaries operating in Los Angeles and in the New York area.

Your Board recently made a severely critical and realistic appraisal of some of our affairs. They have decided to scrap certain equipment which was not ideally suited to the American market, to close three print shops in Germany, and in the United Kingdom to abandon some development projects, the success of which was not assured.

We shall continue the policy of increasing the investment in vending machines for our own operation, particularly in multiple choice studies, and in machines delivering colour photographs. Both types are currently producing encouraging returns.

Plans for expansion in all our overseas subsidiaries are being implemented.

The current year to date shows turnover continuing to advance and we expect to make further progress in terms of both growth and profit.

SALIENT FIGURES FROM THE ACCOUNTS

	1971	1970
Group turnover	4,908,696	3,908,698
Group profit	435,579	439,129
Profit after tax and minority interest	123,267	157,839
Dividend (Gross)	31,500	94,500

Copies of the Accounts and Chairman's Statement may be obtained from The Secretary, Photo-Me International Limited, Station Avenue, Walton-on-Thames, Surrey.

CCL SYSTEMS LIMITED



Upward Trend Continues

Extracts from the circulated review of the Chairman, Cmdr. R. D. Robinson, R.N. (Retd.):—

The trading profit for the year ended 31st May 1971 amounted to £337,525 compared to £324,200 last year, turnover increasing from £2,396,000 to £2,645,000. With the exception of a slight fall in 1968, profits have increased every year since we became a public Company seven years ago. The Directors recommend a total dividend of 17½% (15%).

We have again had a good year in the export field with turnover at £762,577 showing an increase of 13.1%. Our associated Companies in Australia, Holland, India and South Africa have all continued to make progress.

New products in the course of development should enable us to offer our customers a considerably improved and larger range of products during the 70s. Since the beginning of the current financial year, we have obtained some valuable contracts including a further contract for the supply of prestressing materials for the Heysham nuclear station.

The Company is in a strong position to meet any challenges that may arise and to take advantage of the improvement in the economy that undoubtedly must come.

Desalination plants 'cheap as reservoirs'

BRITAIN should aim at getting 10 to 20 per cent of its water by desalination, according to Prof. Robert Silver, of Glasgow University, one of the world's foremost authorities on seawater distillation.

His views are reported by Weir Westgarth, of Troon, Ayrshire, constructors of large scale land-based desalination plants.

Prof. Silver says that if the whole of Britain's domestic water consumption of 2,500m. gallons a day had to be obtained by desalination the extra cost would be £280m. a year—one per cent. of national consumer expenditure.

A far more realistic aim was to think in terms of obtaining 10-20 per cent of our water by desalination. At the most it would increase national consumer expenditure by one-fifth of 1 per cent.

Prof. Silver is a pioneer of the MSP (multiple-stage flash) evaporation process which reduces the cost of desalination and is the basis of most big commercial sea water distillation plants built in the past 10 years. In 1968 he was awarded the first (INPSC) science prize for his work in this field.

Weir Westgarth suggests that "fresh-water factories" could be built in Britain in conjunction with smaller reservoirs as an alternative to giant reservoirs which smother the environment. These smaller reservoirs with their own desalting plants would take care of the occasional drought.

Weir Westgarth says that Prof. Silver's estimates suggest that the average cost of obtaining water from a reservoir built at today's prices in the U.K. would be from about 15p to 30p a thousand gallons, depending on the site from which it is drawn, is of the same order as the estimated

SHARE INCENTIVE PLAN APPROVED

By Michael Blandon

In spite of opposition from institutional shareholders, Mitchell Construction Holdings yesterday succeeded in gaining shareholders' agreement to the proposed executive share incentive scheme. At an extraordinary general meeting in Peterborough, at the company's head office, the proposal was accepted unanimously on a show of hands with no poll called for.

The Investment Protection Committee of the National Association of Pension Funds had recommended its members to oppose the scheme, mainly because of the low price at which shares are to be issued to executives.

£10,000 MENTAL HEALTH GRANT

The National Association for Mental Health has received a grant of £10,000 over three years from the Calouste Gulbenkian Foundation.

new projects in Portugal

The Group has substantial production facilities in this country, where it has been operating for many decades. Its local organization is available to assist anyone who wants to take advantage of opportunities in Portugal and its expanding market and/or use existing infrastructure in Portugal for outlets to other European markets.

Licensing arrangements are preferred; joint ventures for a given project can also be taken into consideration.

Write to Box A2319, Financial Times, 10 Cannon Street, London, EC4P 4BY.

austinsuite FURNITURE

The 34th Annual General Meeting of F. Austin (Leyton) Ltd., was held on 28th October, 1971 at the Company's Registered Office, London, E10.

Turnover increased by approximately 20 per cent resulting in a more profitable year with pre-tax profits at £182,150.

When our new development programme is completed later this year we shall be in a position to increase substantially our production volume and justify the considerable capital investment which we have made over the past two years. This should be accompanied by considerable savings of costs which automatic conveyerisation will bring about.

We shall be launching a range of office furniture in the autumn of this year and prototypes have been readily accepted by many leading distributors as meeting the market requirements.

We are intensifying our efforts generally in the marketing of all our products. I believe these efforts should come to fruition in the near future and that the Company will be in a favourable position to improve its profitability.

Have you tried the double-barrelled scotch?

The first barrel. Imagine thirty or more classic straight whiskies each maturing in oaken casks. Then, when they've reached their individual peak, imagine them blended together. Most people would be satisfied at this stage. But not Cutty Sark.

The second barrel. They put the scotch back into the wood to let the malts mingle, marry and mature together for at least another year and a half. Growing in subtlety and character until a flavour emerges that is undoubtedly greater than the sum of its parts.



Double-barrelled to mature the malts.



THE BRITISH LAND COMPANY LIMITED

Total Assets Expand from £38 million to £98 million

Extracts from the Statement by the Chairman, Mr. John Ritblat:

The British Land Group has been greatly enlarged as a result of the Regis and Haleybridge acquisitions. Regis' holdings in the West End and City of London, including Plantation House, comprise outstanding office property with large, in-built reversions which ensure that the Group's organic asset growth from its holdings is materially enhanced. It is already clear that the newly acquired holdings will yield a substantial surplus to the Group.

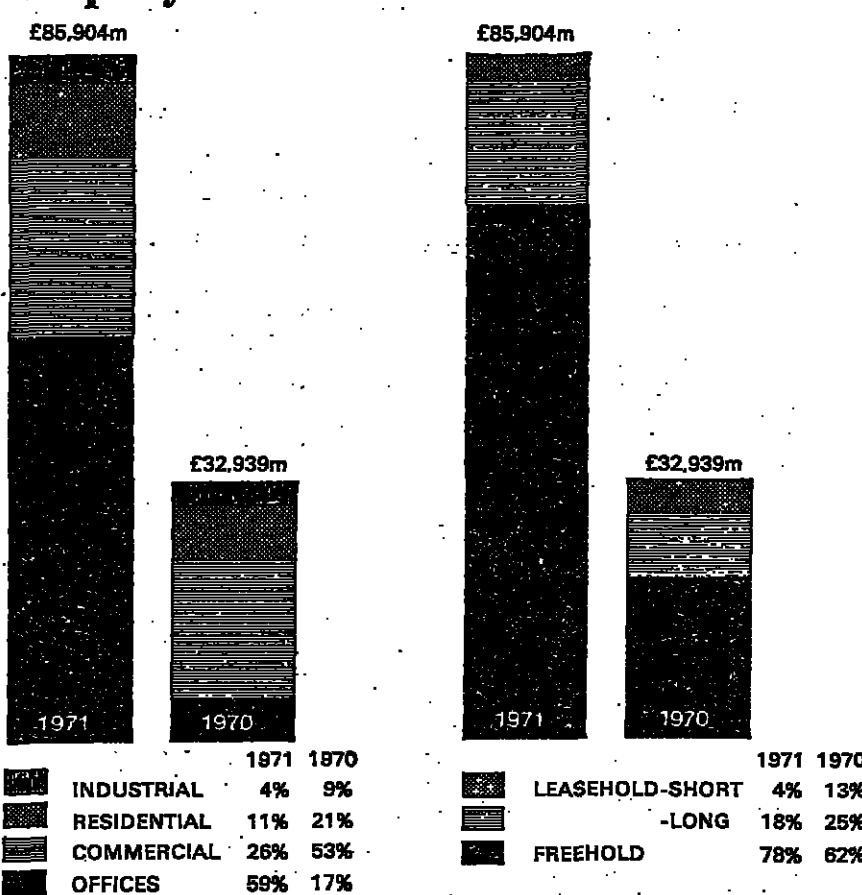
Since the end of the financial year we have pruned our residential property portfolio vigorously, and the proceeds of £5m. are being employed in fewer, more remunerative investments, offering greater scope for expertise. In all, sales of properties and companies since the end of March have produced £14m.

It will be some time before the results of our considerably expanded development programme are seen. In addition to U.K. projects, we have others under way in Australia. We also have city centre office projects in hand in Belgium, France and Ireland. The actual cost of properties already held by the Group for redevelopment over the next five years, together with our estimate of the cost of development, is likely to be of the order of £20m.

The Future

We believe that a property company should be so constructed that the inherent quality of the properties themselves underpins the growth in shareholders' funds, while the management team exerts the extra dynamic. The present portfolio already secures net asset growth, which will accelerate from developments and planned acquisitions. The dynamic accretion is less easily forecast, but is likely to lead to improvement in asset value, rather than immediate income.

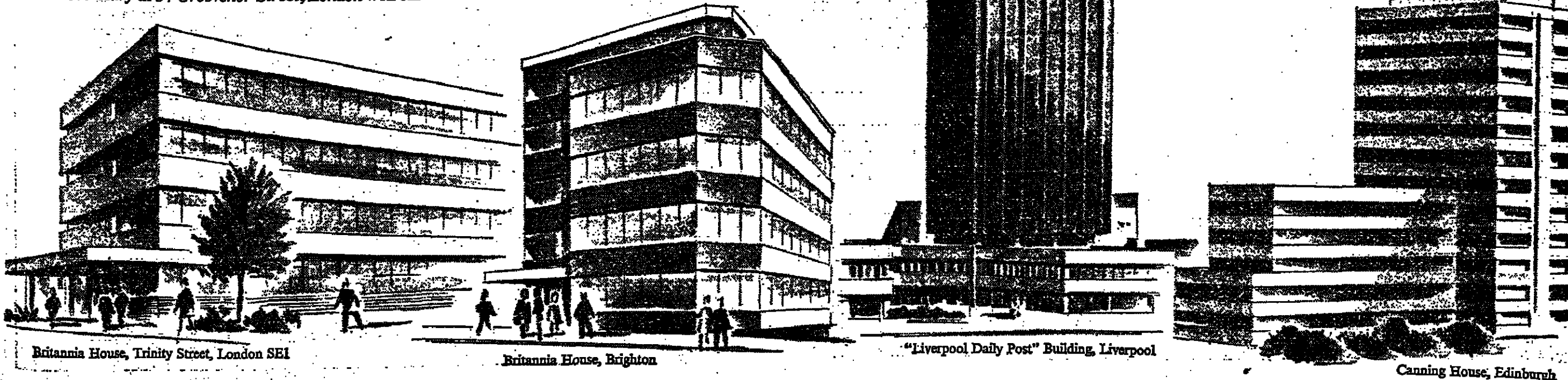
Property Portfolio



Results for 1971.

	Year ended 31st March, 1971 £000	Eleven Months ended 31st March, 1970 £000
Net Profit: before taxation	1,948	842
Taxation	739	375
after taxation	1,209	467
Unappropriated profits 1st April, 1970	123	168
Available for appropriation	1,332	635
Dividends: Interim of 5% (1970-5%)	289	222
Proposed final of 6% (1970-5%)	623	290
	912	512
Unappropriated profits 31st March, 1971	420	123

Copies of the Annual Report and full Chairman's Statement are available from the Secretary at 54 Grosvenor Street, London W1X 0HA





# The Property Market

BY MICHAEL O'HALLORAN

## Tale of the Berk block nears end

IT WAS SOME months ago that reported the rumour that the former Berk Chemicals' building in Baker Street had been let. It was right—the 100,000 square foot block now bears the name of Power Gas Corporation, for this company has won possession of some 80 per cent. of the space at a cost of around £6 per square foot. This may not be startling news as far as the property world is concerned, but the deal does have some interesting ramifications.

The most important result of the letting was the coming to the market of the vacated Power Gas block—Balfour House in Finsbury Pavement (pictured). It is a good building, erected only four years ago, but the asking price of £9 per square foot did seem rather high to me. The position is just a little "fringe," and the redevelopment of adjacent dismally offices seems to look as if I am going to be proven wrong, for the grapevine says that several top covenants have been competing for the space, offered by Henry Davis and Co.

Not all of the tale surrounding the Berk building has been told. For a start, Power Gas started

off in May by having only 46,000 square feet in the block. I gather that this was followed by some intense negotiations to acquire a further 35,000 square feet or so from existing tenants. One tenant who did agree to a move—the advertising company EBD—became involved in the Ralph Parsons series of deals, giving the company a healthy profit rental by taking the 28,500 square feet block in St. George Street.

I gather that almost 8,000 square feet of surplus space is already under offer at £7.50 per square foot. (The building is one of the stars in Lynton Holdings' portfolio.) Of course, Power Gas must also be looking forward to a healthy profit rent. Berk House was originally developed some 12 years ago by Sir Max Rayne, and I think the initial rent was around 80p per square foot! The head leasehold is now owned by the Coal Board Pension Fund. Hampton and Sons were jointly involved in the letting with Healey and Baker.

## Star looks to finance growth

The new finance subsidiary which Star (Great Britain) announced yesterday could well be of great importance to the property world. It starts life with £40m., but I gather that the aim is to hold as much as £100m. within only six months.

This kind of money will finance a lot of development, and one must speculate about the speed and degree with which Star will spread its wings outside of its own property interests and those of its associates.

Talking of associates, I gather that the subsidiary will also be responsible for around 10 per cent. of Dalton Barton—a particularly property orientated merchant bank. Star built up this stake last year at a price which is approximately half of its current value. We could perhaps see more links from this quarter.

Although the new company starts with a strong team, more well-known names might soon be announced. I hear that Star is in the process of tempting several people away from leading merchant banks. And this prompts one to speculate upon the extent to which Star's new venture will become involved in all aspects of merchant banking at home and overseas.

## Rates threaten rent levels

Thinking more about rents, have the bulls of the market contemplated the possible implications of next year's rating revaluation? As Ronald Coleman pointed out this week, many rating assessments were made when London space which now commands £7.50 per square foot was fetching a fifth or even less of

that figure. Similar circumstances apply throughout the country.

It would appear that new assessments will relate to modern rental values and will therefore increase by several hundred per cent. Of course it is logical to expect that the rate poundage will be considerably reduced if the rateable value of any given area increases fivefold. Nevertheless, the current trend is to disproportionately increase the rate burden on offices and commercial premises as opposed to residential property.

Initially, new assessments could seriously affect—even reduce—rental values. The burden of overheads simply become too much for tenants in certain locations. Accordingly, certain calculations being made today about reversionary rental values could be upset to no small degree. It is a potential problem which cannot yet be quantified. What do readers think about it?

## Irish Life to invest in U.K.

Irish Life Assurance is expanding the interests of its property bond to the U.K. It has just paid around £200,000 for a freehold shop in Broad Street, Reading, but this is regarded by the company only as a forerunner to "very substantial propositions." Investment today about is probably fiercer in London than in Dublin, and it will be interesting to compare performance. A plus factor is the appointment of Jones Lang Wootton as property consultants. I also hear that one of the letting pension funds is looking to the Continent—its first aim space in the office market in Paris. Matthews and Goodman, while there are legal and administrative difficulties to be overcome, the tenant.

## London office market quiet

It has been a fairly peaceful week again in the London office market, with general relief being felt over the long-awaited disposal of the Milk Street building. A worried face which I saw yesterday belonged to the owner of a Cannon Street restaurant frequented by various agents—he wants to know who and why is behind the buying in the block which runs eastwards from Mansion House tube station. Rumour says that one of the rarities of the property world—a lady developer—might be able to enlighten him. It is certainly a key position, and something is definitely happening there.

Other space which has been hanging fire for some time is the 5,000 square feet banking premises in Woolgate House at Coleman Street, where the asking rent had decreased to about £11 per square foot. It has now been let to an Irish bank, but my information is that the rent agreed is actually around £9 per square foot. Pause for thought! Hampton and Sons offered the supermarket have already been let and negotiations for the third are well advanced. Healey and Baker are joint agents with Burrows and Co.

Office Planning, a company run by Mr. William O. Ivey, tells us that "the acute shortage of office accommodation in Central London" could be overcome quite quickly if more business directors were to realise the suitability of conversion of warehouses." Mr. Ivey adds that 50 available warehouses with a total of almost 750,000 square feet lie within three or four miles of Charing Cross, and that the figure for suitable conversion projects within the London postal area is around 3m. square feet. If Mr. Ivey can also explain how to overcome the planning problems usually involved with such conversions, many a developer would be only too happy to make him a rich man! As a planning refusal handed out to Caplan Hay and Co. this week said "... is contrary to the Council's policy ... which is to restrain the further development of offices ... loss of unknown accommodation ..."

## OUT AND ABOUT

One of my favourite companies—Frimcon Holdings—has taken over Ashford Developments. This move follows the granting of a major central area redevelopment plan in the town which gave the company its name. The development, which will be undertaken in partnership with the Coal Board's pension fund, will incorporate three supermarkets, 44 shop units, a public house, and a 450-car car-park. Two of the supermarkets have already been let and negotiations for the third are well advanced. Healey and Baker are joint agents with Burrows and Co.



Balfour House

## INDUSTRIAL & BUSINESS PROPERTY

# Into Europe?

Many organisations made the decision to go into Europe years ago.  
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As international property consultants with offices in Brussels and Paris they are retained by clients to provide the full range of real estate services to companies wishing to take a step into Europe.  
Richard Ellis & Son are also retained by some of the leading pension funds in the U.K. and property firms to look for development and investment opportunities anywhere in Europe

**RICHARD ELLIS & SON**

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PRICE FOR LEASE £2,250.  
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8,100 sq. ft.  
Air conditioned floor in prestige block. Car parking etc. RENT £24,200 p.a. ex.  
PADDINGTON, W.2.  
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Modern office unit in clear space. Lift. Central heating. RENT £8,600 p.a. ex.

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Just completed office building opposite railway station (opening 1974). Five floors and available.  
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6,000 sq. ft.  
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### CUMBERNAULD

RAPIDLY GROWING NEW TOWN

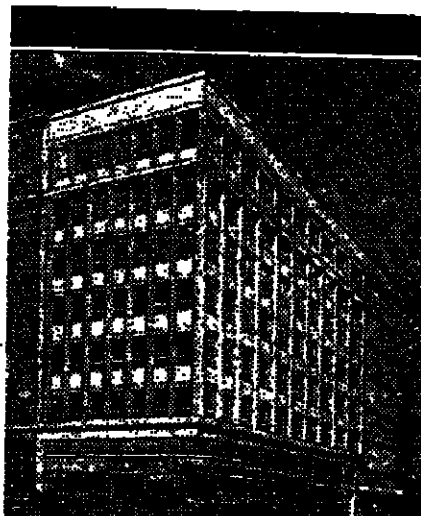
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is already a large  
established town

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offers factories  
and factory sites

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0604-30631



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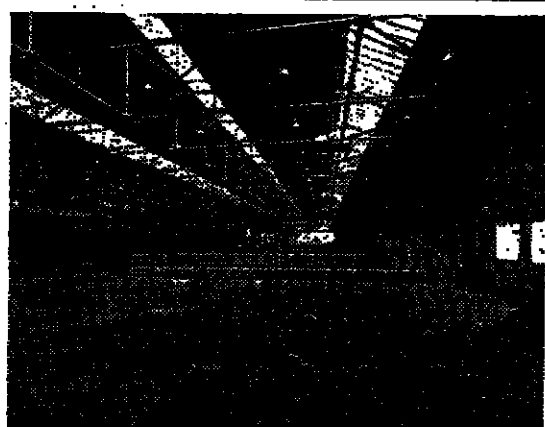
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**FOR SALE**

**FREEDOM SHOP PROPERTIES**

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Possible office use of upper part. Auction November 11th. Details from  
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Sole Agents

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Chartered Surveyors

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**GLOUCESTER**

**First Class Factory Unit  
90,000 SQ. FT.**

on the

**GLOUCESTER TRADING  
ESTATE**

LET ON LEASE AT A LOW RENTAL

LEASE FOR SALE AT A PREMIUM

TO BE NEGOTIATED

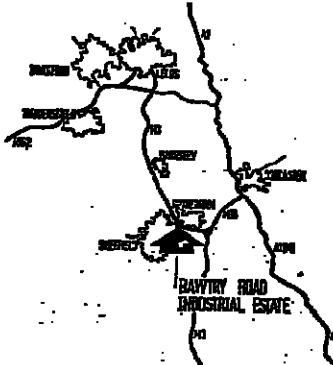
TEL: GLOUCESTER (0452) 21267

**BAWTRY ROAD INDUSTRIAL ESTATE**

**SHEFFIELD**

FRONTING M1 AND CONNECTED BY TINSLEY INTERCHANGE  
**WAREHOUSE/INDUSTRIAL  
LAND AND UNITS FOR SALE OR TO LET**

Bawtry Road Industrial Site, Sheffield, with frontage to M1. Ideally situated for warehouse/distribution centre serving population of approx. 5,000,000 within 40 miles radius with excellent road communications.



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To Absorb Liquid Funds of

**MANY MILLIONS  
OF POUNDS**

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Preference for London Offices.

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13,500 sq. ft. OFFICES  
in new development

**TO BE LET**

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**01-493 6040**

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Ref P/RN

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36,000 sq. ft. To be Let

in prime City location

**Banking Hall & Offices**

would divide

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**PRESTIGE S/C**

**OFFICE BUILDING**

TO LET

**Sq. 11,750 Ft.**

LIFT, C/H, PARKING

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Due to a change of distribution policy Kodak Limited are disposing of well maintained modern factory/warehouse premises at

**MANCHESTER** 34,000 square feet approx.

**LICHFIELD** 30,000 square feet approx.

**GATESHEAD** 22,000 square feet approx.

**LEEDS** 20,000 square feet approx.

large loading bays, attractive offices, fitted canteen facilities, central heating, landscaped grounds.

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### HAYES WAREHOUSE TO LET

41,000 SQ. FT.

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Must be situated between Heathrow and Central London.

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Site or building suitable for institutional and residential accommodation for about 150 persons. Ample car parking required and quiet residential amenities essential.

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Two factories each 12,000 sq. ft. are available in the city of Aberdeen (Pop. 182,000) for immediate occupation. There are also 750 acres scheduled for development throughout the region.

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ABERDEEN CITY and the  
Counties of ABERDEEN,  
BANFF, KINCARDINE,  
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By Direction of Mills Scaffold Company Limited  
(A member of the G.K.N. Group of Companies)

### BRISTOL

Modern FREEHOLD OFFICE BUILDING—  
17,000 sq. ft.

& Adjacent INDUSTRIAL/WAREHOUSE LAND  
for Development

In a central position close to the Inner Circuit Road network.

TOTAL SITE AREA 4.9 ACRES

FOR SALE WITH VACANT POSSESSION

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### TO LET New and Existing Factory & Warehouse

#### Dagenham, Essex

130,765 sq. ft. & 72,422 sq. ft. Mainly 29' 9" to eaves.  
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### PROPERTY INVESTMENTS REQUIRED

£1,000,000 UPWARDS

Sites purchased, developments taken over.

Sale and lease back, quick decisions given.

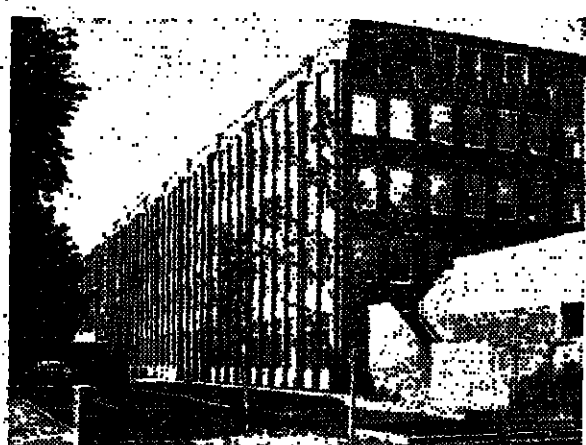
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### Modern offices at Folkestone, Kent

### MAJESTIC HOUSE



Up to 34,000 sq. ft. net.  
Possible expansion to 80,000 sq. ft.

### Smith-Woolley & Perry

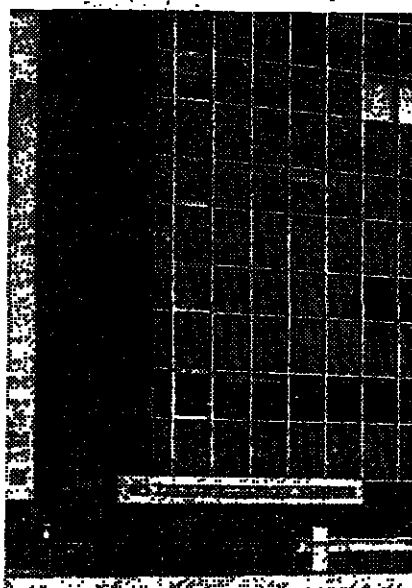
Chartered Surveyors

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AN EDGER INVESTMENTS LIMITED DEVELOPMENT

### E.C.2

CITY BANKING HALL  
AND OFFICES  
16,800 SQ. FT.  
TO BE LET



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### FACTORY UNITS TO LET

3,500 sq. ft.	7,700 sq. ft.
3,750 sq. ft.	8,000 sq. ft.
4,800 sq. ft.	13,000 sq. ft.
5,000 sq. ft.	20,000 sq. ft.

Sole Agents:

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PHONE: 01 242 6752

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#### EXCELLENT SINGLE STOREY

#### INDUSTRIAL PREMISES

31,500 sq. ft. Approx.

- EXTENSIVE PARKING FACILITIES
- CONSENT FOR PART RETAIL USE

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suitable for display and sale with a possibility of a well-lit basement of 850 sq.m.

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#### Brentford

15 mins. Heathrow  
Floors of 8,600 sq. ft.

#### Dagenham

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#### Wallington

4,600 sq. ft. or  
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also at Dagenham, Dagenham and Wallington

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2,044 SQ. FT.

Self-contained office

building with lift

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Close to Blackwall Tunnel—

Just off A.13, 2 miles City.

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5,000 to 20,000 sq. ft. units

18ft. eaves, First floor offices

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#### CITY, E.C.3.

—approx 11,500 sq. ft.  
comprising 4 various  
Suites in well known  
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#### WEST END, W.1.—Entire Period Building

of 6,500 sq. ft. close  
to Grosvenor Square.  
Completely refurbished.

#### S.W.7.

—Impressive ground floor  
Suite of 3,200 sq. ft.  
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Full particulars on request.

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#### DEVELOPMENT SITE FOR

#### LEASE OR SALE

380 Acres Total Area

Valuable suburban shopping area on main road 3 miles from city centre. Adjoining arterial road junction with frontage to two main roads. Close to local commuter train service and motorway junction leading to Clyde Tunnel and Glasgow Airport.

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Agents, every Friday. Rate £15 per  
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has land available in Lancashire and Yorkshire areas for Warehouses and Factories. Will build to clients specifications on a rental or sale basis. Finance can be arranged.  
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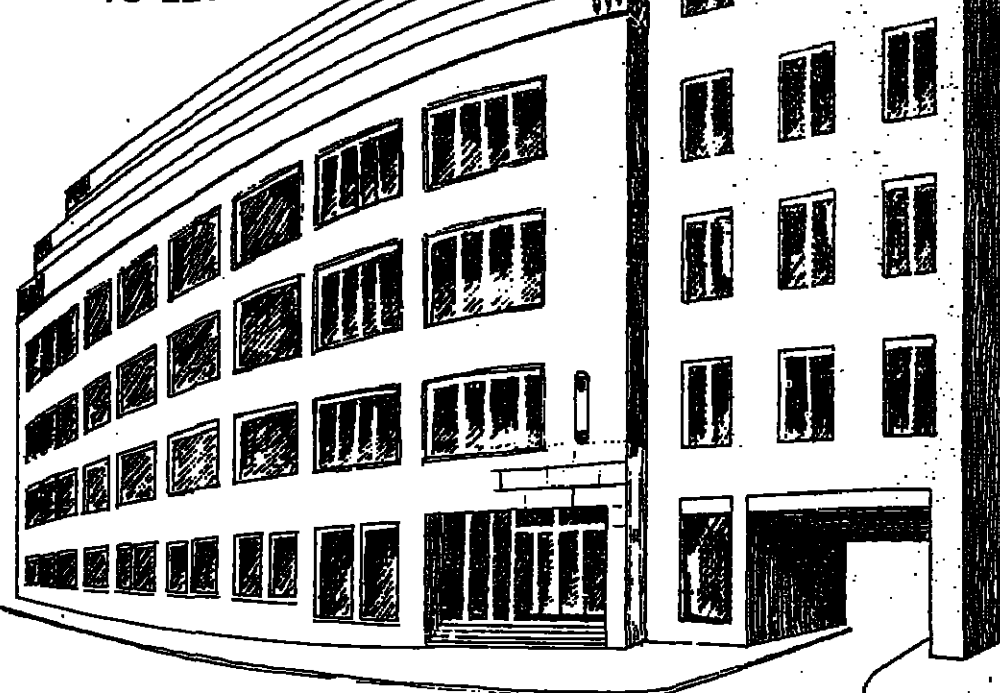
ON BEHALF OF THE NORWICH UNION INSURANCE GROUP

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25, MILK STREET,  
LONDON, E.C.2

44,000 sq. ft.

TO LET



★ AIR CONDITIONED  
★ PRIVATE CAR PARK

**Folkard & Hayward**

CHARTERED SURVEYORS

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LONDON, W.

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UNIQUE FULLY LICENSED HOTEL  
ACCOMMODATING 300 GUESTS  
Overlooking the sea with extensive grounds  
leading to the beach  
VERY PROFITABLE TRADE  
Realistically priced to show a  
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£100,000

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ON BEHALF OF SUBSTANTIAL CLIENTS  
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Confidence will be maintained by  
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Berkshire.

Single storey Factory

Units.

5,300-24,600 sq. ft.

No I.D.C. required

To Let.

Terms on application.

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Berkshire.

Modern single storey

Warehouse. 13,500 sq. ft.

Good access.

covered loading facilities.

To Let.

Terms on application.

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7,000 sq. ft.

Modern single storey

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Central Heating.

Burglar alarm system.

Large Yard.

Freehold £29,500

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43,000 sq. ft.

To Let.

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Important Industrial/Commercial Development

Site.

11 Acres.

Detailed Consent.

Auction, 17th November, 1971

LACY SCOTT & SONS

Bury St. Edmunds (0284 3907)

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off John Dalton Street  
Prestige Office Block in best commercial area, providing  
9,100 square feet of lettable floor space of three floors.  
Completion—March 1972

Apply:

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in the coupon, and send off the  
complete advertisement.

Name

Address

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26,000 sq. ft. of office space  
26,000 sq. ft. of factory space  
26,000 sq. ft. of warehouse space  
26,000 sq. ft. of parking space  
26,000 sq. ft. of central location - ample parking

## RICHARD ELLIS & SON

15, 17 Alexandra Street, Southend  
Tel: 01-499 7151

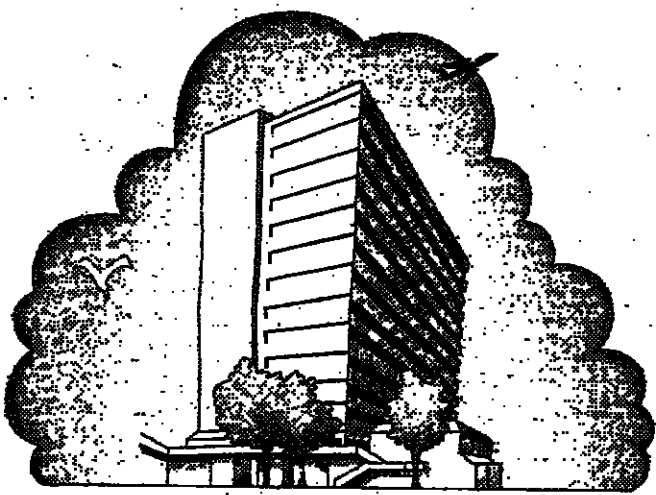
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## Give your business a change of air.

150,000 square feet of prestige air-conditioned offices at Southend, only 40 minutes from the City of London, and close to London's Third Airport.

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Southend  
Tel: Southend 30073



## URGENTLY REQUIRED FOR CLIENTS LEASEHOLDS OR FREEHOLDS

(1) 8,000 sq. ft. OFFICES  
7,500 sq. ft. W/HOUSE

Preferably in same building  
Farringdon/Clerkenwell area

(2) 8,000 sq. ft. STUDIO-OFFICE/SPACE

Alternatively a larger area up to  
20,000 sq. ft. would be considered in  
the same general area as (1) above

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01-606 3055

## PRESTIGE OFFICES TO LET

16 minutes from PORTSMOUTH  
35 minutes from SOUTHAMPTON

Just off A27

Close to Station

adj. new shopping centre

8,115 sq. ft. at only

£1-10 per sq. ft.



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1 mile M4 7 miles London Airport

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**HITCHIN 6,000 sq. ft.** Close station, excellent factory and offices. Good parking/loading. Heating throughout. Lease at £4,156 p.a. Fixtures and fittings for disposal.

**HARPENDEN HERTS 15,400 sq. ft.** Modern s/s factory with prestige offices and showrooms. Rear access for loading. Good parking. To let on long lease at £10,000 per annum.

**KINGS LANGLEY 20,000 sq. ft.** Attractive freehold factory with excellent offices. C.H. 3 phase power. Good headroom. Canteen etc. Price for quick sale £120,000.

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Either 5/8000 sq. ft. Additional or 15/17000 sq. ft. For a complete move.

Would entertain larger building for part subletting.

Bromley	Kingston	Surbiton
Catford	Merton	Sutton
Cheam	Mitcham	Tooting
Clapham	Morden	Wandsworth
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Early Possession would be required

Chartered Surveyors

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Tel: 01-438 8001.

**Chamberlain & Willows**

## required to purchase

Building Company with existing turnover in the region of £1,000,000 situated in London or the South, contact Robin Willis Winder & Lloyd Chartered Accountants 109 Gloucester Place, W1H 3PH

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A PERFECT INVESTMENT OPPORTUNITY FOR SALE IN  
**NATIONAL PARK HOLIDAY RESORT**  
Within yards of beautiful Sandy Beach, on scenic Pembrokeshire Coast - New Holiday Homes, built to N.H.B.R.C. Specification. Owner occupancy when required. Linked Management and Letting Services - To Produce 11% 15% plus p.a. in addition to property appreciation. Mortgage.  
MIN. REQ. £1,450 PER UNIT  
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TEL: 01 730 0441/3

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ATTENTION! FINANCIAL MORTGAGE AND INSURANCE COMPANIES  
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AVENUE CHAMPS-ELYSEES-PARIS. Direct offer. 1,600 square metres, office space, high standard 1930s building. Fully modern front and rear. Outside parking. Excellent location. Suitable for many purposes. See Guide for 23 Champs-Élysées, Paris 8. Tel: 01-493 3211.

**WANTED**  
**GROUND RENTS**  
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Write to: -  
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FUNDS AVAILABLE for investment. Lease-backs preferred. Gordon Hudson Co. 10, Wigmore St., W.1. 01-637 2103.

## TO LET TRAFFORD PARK MANCHESTER INDUSTRIAL DEVELOPMENT SITE

3.3 ACRES together with Existing Office Accommodation Totalling 16,000 sq. ft.

**TOTAL SITE AREA - 4.28 Acres**

For further particulars apply

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A Development by the  
**FAIRFIELD**  
Group of Companies  
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NEW SELF-CONTAINED FULLY AIR-CONDITIONED OFFICE BLOCK TO LET

18,000 sq. ft. net  
**CITY BORDERS**  
Occupation about the end of 1972

Letting Agents:  
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01-407 1375

**MAYFAIR**  
sq. 5,400 ft.

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Self-Contained Office Block 5,000 sq. ft. Near London Bridge Station TO LET

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M2-1 MILE M1-6 1/2 MILES  
NEARLY 8 ACRES INDUSTRIAL BUILDING LAND

plus 2.24 acres White Land at

GELDERD ROAD, BIRSTALL, NEAR LEEDS

To be sold by AUCTION at the Queen's Hotel, City Square, Leeds 1, on Tuesday 7th December 1971 at 3 p.m.

Auctioneer  
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Solicitors  
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Tel: Birstall 2596

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**WALMER, KENT**  
3 RESIDENTIAL SITES  
PLANNING PERMISSION FOR 13 HOUSES & GARAGES

FOR SALE BY PRIVATE TREATY

NEAR GLASGOW INDUSTRIAL ESTATE (PARTLY DEVELOPED) FOR SALE

GLASGOW city centre 6 miles; 18.33 acres with planning permission; existing buildings included; near A80, M73, A8 and M74.

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**LEYTONSTONE E.10**  
FREEHOLD INVESTMENT

2 Shops with offices producing £2,500 p.a. reversion in 10 yrs. Part vacant possession on sub lease.

VACANT POSSESSION  
Warehouse and offices with yard. 5,600 sq. ft. situated at rear of shops.

FREEHOLD FOR SALE AS WHOLE OR SPLIT Apply

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## NEW UNIQUE LANDSCAPED WAREHOUSE DISTRIBUTION CENTRE

Close to M3 and only 2 miles from Watlington. 51,000 sq. ft. approx. to let by joint sole letting agents:



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01-486 3531  
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43 ST. JAMES'S PLACE, ST. JAMES'S STREET, LONDON SW1.  
01-473 6141

## BUSINESS OPPORTUNITIES



## WANTED TO PURCHASE FOR CASH

SMALL OR LARGE CHAIN OF

## SHOPS OR STORES

March the Tailor Ltd. in association with another Private Fashion Group wishes to purchase for Cash Small or Large chain of Shops or Stores in the North of England or in the Midlands. Fashion Group preferred, but any Trade considered.

Please address correspondence in guaranteed confidence to Mr. S. Goldman (Chairman).

**MARCH** March the Tailors Ltd., 171 Marehills Lane, Leeds 8.

## LEASING INVESTMENT FACILITIES

for Major International Industrial and Commercial Real Estate projects. Full details and information of project to European Development Company, Sumatradade 2, 25. Wormwood Street, Wormerveer, Holland. London, E.C.2.

## WANTED URGENTLY FOR CASH

U.K. based company with funds in excess of £500,000. Require immediately for cash any quantities of redundant, liquidation and clearance stocks of all descriptions. Also entire companies purchased for cash. For immediate attention contact: **CURTIS REIMER SALES LIMITED** 238, 240, Bethnal Green Road, London E.2.







## FINANCIAL TIMES STOCK INDICES

	Oct. 22	Oct. 27	Oct. 31	Nov. 25	Dec. 22	Dec. 31	ago
Government Sec.	78.94	78.92	79.12	79.27	79.05	79.16	79.27
Fixed Interest	78.90	78.75	78.58	78.01	78.99	79.07	78.99
Unfixed Ordinary*	410.6	410.6	410.9	402.6	407.4	404.7	360.5
Bond Issues	44.7	45.6	45.3	44.0	44.51	44.5	35.0
Gov. Div. Yield per	3.82	3.80	3.86	3.80	3.85	3.86	4.0
Corp. Div. Yield per	5.97	5.84	6.03	6.09	6.02	5.93	6.0
R. Rate on	16.76	16.83	16.68	16.42	16.61	16.85	15.0
Com. Rates Market	12.520	11.572	12.511	12.699	12.200	11.969	10.0

There was a fair amount of business in Shippings, but prices showed a tendency to ease. British and Commonwealth stood out with a lot of 7s, at 10s, while Court Line shed 5p to 106p.

\*10 a.m. 412.2 11 a.m. 411.7 Nov 410.0 1 p.m. 409.5 3 p.m. 411.0  
3 p.m. 411.4  
Patent Index 01,243,4124

**Abercom Invs. firm**  
Abercom Investments were a firm market in Financials, appreciating 12p to 180p, while Kalfon Investments continued to meet support, rising 7 1/2p to a 197 1/2p peak of 100p. Sterling Guarantee, after Wednesday's 23p spurt, reacted 7p to 342p. Transglobal (formerly LOS Management) declined 10p to 100p.

HIGHS AND LOWS	S.E. ACTIVITY
<p>101 BARRON RD 4056 CORP. TAX FROM BARRON CO. 1912</p>	<p>101 BARRON RD 4056 CORP. TAX FROM BARRON CO. 1912</p>

Textiles were featured by a rise of 7p to a 1971 peak of 203p in John Haggas on the results for the first quarter. Elsewhere, Jackson and Steeples improved 2p to 45p and Homfray were similarly higher at 105p. Courtaulds were dull at 117p, down 3p, in line with other leaders.

Trading in leading Tobaccos was

**OVERSEAS FUN**

	1971	Since Completion		1-1-73	Oct. 27
	High - Low	High - Low			

Eurosyndicat Group		% Yield
Murinson Lav F...	1,728 1,798	3.51
Finance Union	Lav F. 465 482	3.52
For Starting Dealing Prices contact London Agents N. M. Rothschild & Son, Ltd. 626 656 658 Hill Street & Co. Ltd. 628 8011		
Fidelity Management & Research Co. Boston, Massachusetts		

	High	Low	Avg	Avg		
Port. Sec.	79.64	68.85	127.4	64.21	Daily - City - Edm.	194.4 161.1

Durston, Massachusetts			
Fidelity Trust Ltd.	\$22.74	24.85	2.45
Do. Capital Fund	\$11.52	12.59	2.77
Fidelity Mgmt. & Research (Bermuda) Limited			
Fidelity Int. Fnd.	\$13.52	1	----
Fidelity Pct. Fd.	\$10.90	1	----
For additional information contact			
Julius Sasser International Ltd.			
38, Mincing Lane, E.C.3.		01-526	5152
First Investor & Savers Vln. Ags.			
15-16, America Square, E.C.3.		01-438	4311

Fixed Int....	79.57	69.83	150.0	67.13	Industrial.....	418.6	384.
					Speculative.....	164.5	175.

**Ass. Ld'd Prop Fd.** B\$9.72 ..... —  
 Net asset value June 30.  
**First Inv. Am.Tr.f.** US\$8.35 ..... —  
 Net asset value Oct. 25.  
**F.I. Inv. Mngt Perf.** US\$8.14 ..... —  
 Net asset value Oct. 21.  
**First National New World Fd. Ltd.**  
 P.O. Box N1576, Nassau, Bahamas  
 Net asset value Sept. 29, 95.7.  
 For details First National City Bank  
**Fleischner Becker Fund M.V.**  
 C.I.A. Ltd. P.O. Box 156 St. John's, Jamaica

	(15/10/71)	(4/1/71)	(25/1/71)	(1/4/71)	Total	280.4	280.4
nd. Ord.	430.8	305.3	521.9	49.4	3-day Act	189.4	189.4
	(7/2/71)	(3/5/71)	(19/9/71)	(25/3/71)	Bill - signed	281.9	401.9

**N. T. Butterfield and Son (Bermuda) Ltd.**  
New Paid. Share: \$10.33 —  
Net asset value Sept. 30.

**Fonds Fiduciar International**  
Distributed by the Banque de Bruxelles  
Brussels  
Obtainable through London Banks.  
FFI. (Belge F.).... 1.171 1.225—8 | 8.86

**Frontier Management Ltd.**  
50, Shirley St., Nassau, Bahamas  
Frontier (Griffin) Ltd. 1.171 1.225—8 | 8.86

	(11/30/71)	(10/31/71)	(12/31/70)	(11/30/70)	Industrials	404.9	402.1
Gold Mines	61.3	43.5	100.0	43.5	Speculative	178.1	176.5
	(12/31/71)	(12/31/71)	(12/31/70)	(12/31/70)	Foreign	278.2	276.6

Frontier Trust.....	U.S.\$5.98	—	—
Frontier Inc. Pfd.....	U.S.\$9.78	-0.01	5.10
117Group Fd. S.A.....	U.S.\$12.03	—	—
<b>Fund of Australis Man. Co. Ltd.</b>			
P.O. Box 1011, Hamilton, Bermuda			
Prop Bonds/Aust.....	A\$1.04	—	—
Starling Fund.....	A\$5.73	-0.21	—
U.S. Dollar.....	U.S.\$4.63	-0.16	—
Real Estate Fund.....	A\$7.08	+0.02	—
<b>G. T. Bermuda Ltd.</b>			
Sk. of Bermuda, Front St., Hamln., Bmda.			
Berr. Pacific Fd.....	\$11.63	—	—

BASES 100 Govt. Secs. 15/10/25. Fixed Int. 1924. Ind. Ord. 1/7/33. Gold M.  
7/33. S.E. Activity July-Dec. 1942. † Corrected figure.

G.T. Dollar Fund	\$11.35	.....	—
NAV Oct. 27.	NAV Oct. 20.		
<b>Grimshawe Tst. Management Ltd.</b>			
35, Abhol St., Douglas, Isle Douglas	4682		
Office of New Treas.	33.5	34.7	48.1
<b>Hambros Inv. Mgr. Ser. Vin. Agts.</b>			
11, Brompton Ave. E.C.1	01-588	2851	
Ch. of F. Oct. 1.	127.8	131.6	72.45
Ch. of F. Oct. 1.	134.3	45.70	0.62
Hambros Overseas Fnd	01-587.03	0.27	—
<b>Hill, Saml. &amp; Co. (Guernsey) Ltd.</b>			

\_\_\_\_\_

**Hill, Samuel Overseas Fund S.A.**  
 7, rue Notre-Dame, Luxembourg  
 Net Asset value  
 at Oct. 15, 1971.....U.S.\$10.57 ..... -  
**Intermarket Fund 1**  
 10, Boulevard Royal, Luxembourg  
 Net Asset Value at Oct. 21, 1971.....U.S.\$125.78 ..... -  
 Further information is available to Dealers  
 from British and Continental Banking Co.  
 Ltd., 54, New Broad St., E.C.2 01-383 6361

her modest. "Imps" hardened next February added 4p more to 81p. after 81p. but Bougainville, at 61p. in the par

Internatl. Capital Management Ltd.			
Regency House, Valletta, Malta			
Intl. Inv. Fd (Grth)	\$0.1	32.8	1.80
Intl. Inv. Fd, (Inv)	22.9	25.1	8.00
<b>Phoenix Assurance</b>		<b>% Yield %</b>	
32, Kings Street, E.C.2		01-531	0082
Assured Bal Oct. 1	35.6	.....	—
End of mnt. Oct. 31	39.8	.....	—
<b>Growth &amp; Sec. Life Ass. Soc. Ltd.</b>			
Regent House, W.I.L.		01-239	6166
United Super Fund, 1008.3		.....	—

Sals" gave up 5p to 313p. Gallatins gained 5p more to 134p on the paid form; the fully-paid shares were quoted at 106p. Reflecting their respective shareholdings

Guardian R.E.		
Special Exchange, E.C.S.	01-283	7191
Property Bonds, 214.1	117.0	—
Pen Man. Pl. Mt.	103.5	108.6
<b>Lambro Life Assurance Limited</b>		
7, Brook Street, W.1.	01-637	2781
Lambro Equity, 111.9	117.8	—
Property, 98.4	103.8	—
Managed Cap., 105.7	111.5	—
Managed Acc., 106.6	112.4	—
Pen Prop Cap., 102.0	107.2	—
Pen Prop Acc., 104.2	109.5	—
Pen Man Cap., 108.9	114.7	—
Pen Man Acc., 111.8	117.9	—

Rubbers held steady to firm in

Hearts of Oak Benefit Society	
Wentworth Road, London, N.W.1.	01-367 5220
Hearts of Oak.....	25.8 27.4.....
Hodge Life Assurance Co. Ltd.	
1, Windsor Place, Cardiff.	Cardiff 43577
Hodge Brothers.....	51.5 54.2.....
Hakeover.....	40.1 42.2-0.1.....
Imperial Life Ass. Co. of Canada	
Imperial Life House.	Guildford 7123
Imperial Fd Oct 47.9	52.1.....
Imperial Life Ins Co. (U.K.) Ltd.	

Riotinto put on 10p at 280p. rose 3p to 195p.

Dover Equin'y Lt.	\$11.18	-0.00
Dover P'ry Lt..	\$20.00	+1.00
Dover Acc'n Lt.	90.0	-1.0
Dover Den't Lt.	91.0	+1.0
Dover An'n Lt.	76.0	" " "

Prices at Oct. 28.

### Investment Annuity Life Assur.

Dovefeux Court. W.C.S.		01-553 5087
Non Ind. Per. Pd.	95.5	
Non Ind Per Pa'd	96.1	
Non Prop Fundd...	53.1	

the good results. Gultrie Gold shares were expected to make further progress to 246p, up firm in late dealings with more

Irish Life Assurance Co. Ltd.	61-628 9385
Finchbury Square. E.C.2.	
Prop. Mtd. 1st Oct. 1. 114.1 120.125	—
ing & Shaxson Ltd.	
Canhill. E.C.3.	61-628 5483
and Fund.....	£118.40 (+0.18) —
Next sub. day Nov. 3.	

Among Teas, Longbourne rose







# F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS		Thursday, Oct. 28, 1971				Wed. Oct. 27		Tues. Oct. 26		Mon. Oct. 25		Fri. Oct. 22		Year ago (approx)		Highs and Lows Since Completion			
GROUPS & SUB-SECTIONS		Index No.	Day's Change %	With 40% Correlation	Div. Yield %	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	1971	Since completion				
				Net. Av. Yld. %	Net. Price Earnings Ratio									High	Low	High	Low		
CAPITAL GOODS GROUP (124)		158.60	+0.1	5.02	16.62	3.78	158.28	158.03	158.05	157.02	158.73	158.00	158.00	158.00	157.50	157.50	158.00	157.50	
Aircraft and Components (3)		151.17	-0.1	8.08	12.37	4.76	132.43	128.23	128.59	126.89	126.80	107.95	107.95	132.44	66.40	250.12	126.89	126.89	
Building Materials (29)		166.30	+0.3	4.75	31.05	3.29	166.97	163.83	163.70	163.96	163.96	163.96	163.96	167.55	99.30	157.95	163.96	163.96	
Contracting and Construction (30)		372.55	-1.3	5.13	19.50	3.26	269.40	267.68	268.80	270.43	264.37	264.37	264.37	272.55	122.83	229.83	264.37	264.37	
Electric (ex. Electr. Rad. & TV) (13)		371.48	+0.5	5.21	19.18	3.26	272.93	264.88	264.84	269.69	269.69	269.69	269.69	272.55	122.83	229.83	264.37	264.37	
Engineering (79)		159.94	-0.1	5.83	14.84	4.51	139.99	138.65	138.36	139.26	139.26	139.26	139.26	149.29	122.86	150.85	139.26	139.26	
Machine Tools (15)		63.37	+1.0	7.65	12.07	6.23	62.67	61.81	61.97	65.00	64.85	64.85	64.85	62.67	62.67	62.67	62.67	62.67	
Miscellaneous (25)		124.69	+0.9	7.49	13.55	4.28	132.46	131.21	131.05	132.07	132.07	132.07	132.07	132.46	62.67	62.67	62.67	62.67	
CONSUMER GOODS (DURABLE) GROUP (56)		179.91	+0.6	4.25	28.53	3.21	176.97	175.69	176.08	177.22	180.76	180.76	180.76	185.09	117.35	197.97	180.76	180.76	
Electronics, Radio and TV (14)		168.35	+0.2	4.04	24.78	3.29	183.01	179.79	180.74	182.66	182.66	182.66	182.66	185.09	117.35	197.97	180.76	180.76	
Household Goods (15)		206.15	+1.1	5.73	17.46	3.29	203.89	202.28	202.19	205.99	205.99	205.99	205.99	207.58	115.98	207.58	205.99	205.99	
Motors and Distributors (27)		198.82	+1.0	4.06	24.60	3.29	192.55	193.27	193.20	193.29	193.29	193.29	193.29	198.82	115.98	207.58	205.99	205.99	
CONSUMER GOODS (NON-DURABLE) GROUP (175)		162.55	-0.4	5.56	17.99	5.75	165.28	160.74	160.15	161.40	164.86	164.86	164.86	172.57	119.17	172.57	164.86	164.86	
Breweries (21)		182.48	-0.1	5.51	18.16	5.53	183.70	178.45	177.43	179.76	181.47	181.47	181.47	182.48	119.17	172.57	164.86	164.86	
Wines and Spirits (7)		160.80	-1.8	6.49	15.41	4.35	163.70	158.93	159.70	162.12	164.10	164.10	164.10	166.05	148.41	196.05	164.10	164.10	
Entertainment and Catering (15)		232.55	-	5.58	17.91	3.14	232.59	231.24	232.35	234.89	231.86	231.86	231.86	232.55	117.35	241.33	231.86	231.86	
Food Manufacturing (24)		142.42	+0.5	5.67	17.71	3.51	141.94	141.94	141.95	142.15	142.15	142.15	142.15	142.42	117.35	241.33	231.86	231.86	
Food Retailing (17)		156.04	-0.1	5.18	19.48	3.26	156.80	154.57	156.23	156.84	160.07	160.07	160.07	156.04	117.35	241.33	231.86	231.86	
Newspapers and Publishing (15)		154.79	+1.6	5.80	17.88	4.54	159.38	151.96	151.17	150.05	151.65	151.65	151.65	154.79	117.35	241.33	231.86	231.86	
Packaging and Paper (16)		113.95	-0.9	6.77	14.77	3.50	111.60	112.61	111.93	112.34	109.16	109.16	109.16	113.95	117.35	241.33	231.86	231.86	
Stores (30)		155.34	-0.9	4.39	22.80	4.05	156.93	154.24	155.04	154.19	150.35	150.35	150.35	155.34	117.35	241.33	231.86	231.86	
Textiles (21)		169.90	-1.7	6.80	16.13	5.31	172.89	168.93	168.88	169.57	147.18	147.18	147.18	169.90	117.35	241.33	231.86	231.86	
Tobacco (3)		217.50	+1.5	10.08	9.98	6.05	214.65	210.55	209.50	211.26	201.28	201.28	201.28	217.50	117.35	241.33	231.86	231.86	
Toys and Games (6)		53.14	-1.4	7.67	133.23	9.92	53.92	53.10	53.15	53.64	56.13	56.13	56.13	53.14	117.35	241.33	231.86	231.86	
OTHER GROUPS																			
Chemicals (19)		180.67	-0.5	5.48	18.24	5.55	181.85	179.38	177.99	180.76	145.81	145.81	145.81	180.67	117.35	241.33	231.86	231.86	
Office Equipment (10)		172.08	-0.7	3.82	86.19	1.73	173.33	174.55	173.33	175.78	130.56	130.56	130.56	172.08	117.35	241.33	231.86	231.86	
Shipping (10)		236.05	-0.5	8.16	12.26	5.06	237.16	234.08	235.20	232.23	216.93	216.93	216.93	236.05	117.35	241.33	231.86	231.86	
Miscellaneous (unclassified) (44)		126.56	-0.4	5.45	18.34	3.52	126.79	125.09	125.27	126.70	140.56	140.56	140.56	126.56	117.35	241.33	231.86	231.86	
INDUSTRIAL GROUP (496 SHARES)		169.83	-0.2	5.31	18.15	5.50	169.13	166.74	166.31	167.57	-	-	-	176.51	119.52	176.51	166.74	166.74	
Oil (2)		323.56	-0.6	6.10	16.29	2.90	324.75	322.53	319.28	324.47	299.21	299.21	299.21	323.56	119.52	176.51	166.74	166.74	
500 SHARE INDEX		151.99	-0.2	5.60	17.97	5.65	152.42	150.05	149.38	150.97	145.70	145.70	145.70	150.63	119.52	176.51	166.74	166.74	
FINANCIAL GROUP (121)		169.55	-0.1	-	-	2.97	169.55	167.48	166.78	168.52	120.71	120.71	120.71	178.49	119.52	176.51	166.74	166.74	
Banks (8)		169.16	-0.8	8.15	12.26	3.00	170.12	167.53	163.85	166.72	104.77	104.77	104.77	169.16	119.52	176.51	166.74	166.74	
Discount Houses (6)		194.30	-2.9	-	-	4.07	200.15	200.77	198.91	199.16	126.76	126.76	126.76	194.30	119.52	176.51	166.74	166.74	
Fire Purchase (6)		890.42	+0.5	4.54	22.04	2.70	879.47	879.37	888.61	888.06	192.80	192.80	192.80	890.42	119.52	176.51	166.74	166.74	
Insurance (Life) (9)		152.04	+0.8	-	-	3.00	151.73	146.96	146.45	147.80	124.92	124.92	124.92	152.04	119.52	176.51	166.74	166.74	
Insurance (Composite) (9)		138.94	+0.3	-	-	3.34	132.66	131.07	130.51	133.38	88.99	88.99	88.99	138.94	119.52	176.51	166.74	166.74	
Insurance (Brokers) (11)		175.96	+0.5	5.07	19.73	1.65	175.45	172.31	171.52	173.68	113.68	113.68	113.68	175.96	119.52	176.51	166.74	166.74	
Investment Trusts (20)		184.18	-0.2	3.06	39.63	2.89	184.58	185.20	185.14	186.28	160.91	160.91	160.91	184.18	119.52	176.51	166.74	166.74	
Merchant Banks, Issuing Houses (14)		174.90	-0.4	-	-	2.83	175.64	174.08	173.51	173.59	128.17	128.17	128.17	174.90	119.52	176.51	166.74	166.74	
Property (81)		230.53	-0.1	2.76	36.28	2.94	230.34	219.08	217.77	218.31	157.54	157.54	157.54	230.53	119.52	176.51	166.74	166.74	
Miscellaneous (9)		190.53	-0.4	5.41	18.49	4.02	191.13	187.98	188.00	199.58	-	-	-	190.53	119.52	176.51	166.74	166.74	
ALL-SHARE INDEX (621 SHARES)		178.75	-0.2	-	-	3.46	179.12	176.82	176.15	177.77	159.44	159.44	159.44	187.38	119.52	176.51	166.74	166.74	
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)																			
Rubbers (10)		248.33	-0.3	9.60	10.42	7.33	249.16	243.60	244.78	246.11	148.56	148.56	148.56	248.33	119.52	176.51	166.74	166.74	
Teas (10)		203.67	+0.8	16.13	6.20	8.64	108.79	108.56	101.40	101.02	80.11	80.11	80.11	203.67	119.52	176.51	166.74	166.74	
Coppers (4)		238.02	-1.8	74.58	1.34	20.76	242.27	242.67	239.39	247.90	239.27	239.27	239.27	238.02	119.52	176.51	166.74	166.74	
Mining Finance (11)		75.71	+1.0	6.81	14.69	4.58	74.95	73.58	72.89	74.29	123.85	123.85	123.85	75.71	119.52	176.51	166.74	166.74	
Tins (8)		73.48	+0.4	10.75	9.30	8.19	73.15	72.87	72.89	72.61	67.04	67.04	67.04	73.48	119.52	176.51	166.74	166.74	
FIXED INTEREST																			
		Thurs. Oct. 28	Wed. Oct. 27	Tuesday Oct. 26	Monday Oct. 25	Friday Oct. 22	Thurs. Oct. 21	Wed. Oct. 20	Year ago (approx)	1971				Since Completion					
		Index No.	Yield %							High	Low	High	Low	High	Low				
Consols 2½% yield		-	8.17	8.56	8.59	8.59	8.58	8.58	9.54	-	-	-	-	-	-				
20-yr. Govt. Stocks (6)		86.98	17.47	85.89	86.99	86.14	86.78	85.99	86.35	72.80	86.27	70.60	115.49	86.98	86.98				
20-yr. Red. Debentures & Loans (15)		79.58	19.22	79.44	79.55	79.71	79.75	79.83	79.69	71.74	79.58	88.42	115.43	79.58	79.58				
Investment Trusts Prefd. (15)		79.58	9.33	78.78	78.78	78.78	78.78	78.78	78.78	69.90	79.58	96.39	115.43	79.58	79.58				
Commercial and Indust. Prefd. (20)		86.64	9.00	85.54	85.52	85.48	85.47	85.28	86.00	74.00	86.64	69.02	114.41	86.64	86.64				
ation or Group		Base Date	Base Value		† Redemption yield.														
Manufacturing		28/12/67	114.13		F.T.Archives indices are calculated by Ertel-Communi-														
Retailing		28/12/67	114.13		tions Limited (a member of the Exchange Telegraph Group														
Finance Brokers		28/12/67	86.67		on an IBM 360 computer.														
Finance		28/12/67	100.00		CONSTITUTENT CHANGES: The following stocks have be-														
and Spirits		16/1/70	144.76		reclassified:														
and Games		16/1/70	135.72		Stock														
Equipment		16/1/70	162.74		Lloyd F. N.														
Trial Group		31/12/70	128.20		J. Saville Gordon														
Financial		31/12/70	128.06		Engineering														
ther		10/4/82	100.00		Hattersley Steirad (Building Materials) has changed its na-														
					me to Steirad Group.														
					Old Classification														
					Misc. Cap. Goods														
					New Classification														
					Engineering														
					Misc. Cap. Good														



## ENGINEERING AND METAL—Gen. Cont. HOTELS AND CATERERS—Continued

# WILLIAMS



INDUSTRIAL (Miscellaneous) - Continued									
100	101	102	103	104	105	106	107	108	109
110	111	112	113	114	115	116	117	118	119
120	121	122	123	124	125	126	127	128	129
130	131	132	133	134	135	136	137	138	139
140	141	142	143	144	145	146	147	148	149
150	151	152	153	154	155	156	157	158	159
160	161	162	163	164	165	166	167	168	169
170	171	172	173	174	175	176	177	178	179
180	181	182	183	184	185	186	187	188	189
190	191	192	193	194	195	196	197	198	199
200	201	202	203	204	205	206	207	208	209
210	211	212	213	214	215	216	217	218	219
220	221	222	223	224	225	226	227	228	229
230	231	232	233	234	235	236	237	238	239
240	241	242	243	244	245	246	247	248	249
250	251	252	253	254	255	256	257	258	259
260	261	262	263	264	265	266	267	268	269
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## THE LEX COLUMN

## Ups and downs at Dunlop/Pirelli

Better than anything else, Dunlop's share price performance yesterday signifies the communicative quality of the latest interim figures: 135p ahead of the announcement, the shares hit 157p afterwards before subsiding to 140p, 1p down on the day. Chronologically, this tied in with (a) the expectation of poor figures, (b) the news of a good first half by the Dunlop component, and (c) an overall picture of depression—that depression caused, quite simply, by the consolidation of the Pirelli Italian operation.

Dunlop's slice of the union, for January-June, 1971, is up from £3.69m. to £5.44m. at the net attributable level, and it would probably have hit the £6m. mark but for consolidating the associates and minorities of Pirelli on the new basis. The Dunlop picture, the forecast of a similar second half, and changes in group capital structure—postponing the Italian losses until they are offset by profits from the same source—may be regarded as a spoonful

of sugar by some Dunlop fans. But the medicine that goes with it is not quite so palatable. The fact is that the union has produced half-time profits down from £5.5m. to £2.44m. at attributable level, with Pirelli a sizeable debit due to Italian losses of around £6m. The losses might be reduced in the second half, but it would probably be unwise to hope for more than £8m. net for the year against £10m. in 1970. The recovery potential is dramatic, heightened by Pirelli's financial gearing—the main reason for union (Dunlop/Pirelli) interest payable up from £12.83m. to £16.70m. in the first half—and the fact that its losses do not qualify for tax relief. But the drama is all foreseen in an equity capitalisation for Dunlop of just under £137m.

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## Hoover

In theory a 20 per cent profit rise in the third quarter from Hoover, after gains of 22 per cent in the first two, might have disappointed the market, em-

bracing, as it did, a good slice of the post-July durables boom. The shares were up 20p yesterday, however, to 533p, and it may be noted that last year's third quarter included an exceptional profit on the sale of a South African factory, while the three months to September 1971 saw some gearing up for higher production levels (300 new employees in the U.K. for example).

Now Hoover's sales growth rate of 22 per cent in the first nine months probably contains about 15 points of volume growth, but most of this must have come out of greater capacity utilisation—the bulk of the 25 per cent. addition to group capacity from Merthyr and Cambuslang having yet to be exploited. The implication is that the recent rate of volume growth is easily enough maintainable (given the demand) for 18 months or so. Meanwhile, a better final quarter should permit profit growth for the year at least the first half rate, and £10m. pre-tax would indicate earnings of 52p a share

against 25p for a p/e ratio of 16. On this going, Hoover will easily have financed the capital expenditure effort of 1970 and 1971 out of cash flow, so there would seem to be no impediment to growth on the output side. As for demand, it is sometimes not appreciated that overseas markets take about 65 per cent. of group sales. The gamble with Hoover is simply on its ability to penetrate markets, and the record had been good to date.

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## Bovis/Page-Johnson

Being a Bovis shareholder is never dull: the past week has seen the acquisition of Twentieth Century Banking for £6.5m., details of the £50m. property development programme, and now an agreed bid for Page-Johnson Builders. At 163p a share—half a Bovis Ordinary plus 57p nominal of either non-convertible or convertible loan stock—the bid takes out P-J on a p/e of just over 14, on the basis of an indicated £1m. pre-tax for the year

to end-September. Bovis must be roughly doubling its penetration of the U.K. private housing market, and it is getting hold of P-J's land bank with space for 9,500 units in this country, making around 16,000 all told.

After maximum dilution the deal stands to drop Bovis's prospective p/e from 17.4 to 16.7 at 212p, and then to 16.0 as P-J is apparently going for £125m. pre-tax in its current year. At least there are no financing problems here, nor in the property side, where developments are mostly pre-financed; the 20th Century deal will have to be funded, probably through a share and loan stock placing, but not until next May, by which time there will hopefully be some good news around about earnings.

See Page 30

## McKechnie Bros.

McKechnie Brothers has emerged from 1970-71 with adjusted profits just £333,000 lower at £5.91m., including attributable associated company profits of £796,000 against £701,000: after six months

profits, excluding the associated companies, were £1.1m. lower. Admittedly strikes were a problem a year ago when the second half—contrary to the historic pattern—contributed under half the group total, ignoring copper stock variations (now deconsolidated). Yet this year's swing round requires more than just a seasonal explanation.

Part of the explanation is a better trend in the U.K. 64 per cent. of earnings a year ago and the main problem area in the first half, judging by the minorities charge. Overseas acquisitions more than account for the overall sales rise, yet with very roughly 30 per cent. of home sales going to the motor industry and the same again to the builders, demand here should be noticeably firmer. At the same time, lower copper prices ease stock financing costs, with a £100 variation in the price making a difference of perhaps £1m. to working capital. A fully diluted p/e of 12.6 at 88p reasonably expects these trends to continue in the current year.

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## Japanese put proposals to curb exports to Europe

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

A seven-point Japanese plan for limiting exports to Europe was voluntarily outlined to leaders of the Confederation of British Industry yesterday. It is intended to counter widespread complaints that the Japanese have striven to flood the U.K. and other countries with key products in face of restrictions on sales to the U.S.

The CBI, which met leaders of the Keidanren, the Japanese industrial federation, explained that there was particular concern in Britain about a 40 per cent. rise in Japanese steel exports in recent months and a threefold increase in ball bearing sales over the last 18 months, tied to prices 25 per cent. lower than comparable U.K. levels.

## "New concept"

Although Mr. Campbell Adamson, CBI's Director-General, described the Japanese proposals as "an important new concept" it is expected to take at least six months to finalise the details of the scheme, fixing the extent and speed with which Japanese sales of various products should be allowed to grow in Europe.

The Keidanren plan provides for the following steps to be taken by the Japanese to ensure "orderly marketing":

1—Fiscal measures to boost the Japanese economy, so as to create more demand at home and reduce pressures to export.

2—Control of exports by commodity and destination in cases

of excessive competition among exporters or the threat of disruption of overseas markets. This control would be carried out by the Japanese Ministry of International Trade and Industry.

3—Voluntary export control by various industries themselves, on the lines of the agreement now being concluded for steel exports to Europe.

4—More visits by Japanese delegations to Europe so that businessmen can familiarise themselves with conditions in importing countries and try to foster greater mutual understanding of market conditions.

5—The introduction of an early warning system, under which Japanese imports would be monitored by Japanese trade offices in foreign countries. Warnings would then be issued where excessive imports might disturb the market of the importing countries.

6—Attempts would be made to encourage knowledge-intensive industries in Japan, to improve the international division of labour and foster co-operative industrial activity.

7—Efforts would be made to establish a workable international safeguard provision or revision of Article 19 of GATT.

"These proposals are still somewhat general and will need considerable detailed discussion between European industrialists and their counterparts in Japan," Mr. Adamson said.

"The Japanese have agreed, however, that a small European team should have further dis-

cussions about this orderly marketing concept in some six months' time."

In one area, steel, discussions are already at an advanced level. The Japanese industry has already agreed to self-imposed restrictions on shipments to Europe and a delegation will visit Europe early next month to discuss its proposals.

Mr. Tozoku Horikoshi, vice-president of the Keidanren, pointed out that anti-trust legislation in Britain and West Germany made agreement on the voluntary limitation of exports difficult to negotiate.

It is possible that the study now being made by the U.K. Government of monopoly and restrictive practice legislation will lead to a more flexible framework, however.

## Money problems

Problems associated with the international monetary situation are also likely to delay final detailed agreement on the Japanese proposals.

Mr. Horikoshi explained that there was very grave concern within the Japanese industry about the floating rate of the Yen, now around 9 per cent. over above 10 per cent. it would have a serious impact on smaller businesses in Japan.

He also claimed that the Japanese had carried out considerable trade and investment liberalisation in the last year. The total is one of the lowest in the world.

Report Page 12

## Plans for BSC European joint ventures outlined

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

BRITISH Steel Corporation's plans for jointly developing steelworks costing up to £500m. in Britain and on the Continent in partnership with other European producers were outlined by Lord Melchett, the Corporation's chairman, in the Lords debate last night on entry into the Common Market.

At the same time, Lord Melchett, in a vigorously pro-market speech, referred to the possibility of joint iron ore and coking coal mining ventures with European producers in Australia, more co-operation in manufacturing and selling in third markets, and greater co-ordination in the prices field.

Talks are already taking place between the BSC and steel producers in France, Holland and West Germany about the possibility of joint manufacturing enterprises in Europe, it is believed.

The basic problem facing the major EEC producers and BSC is that, while they all accept that steelworks with a capacity of up to 15m. tons a year are needed to meet Japanese competition, each wants them built in its own country.

BSC, which has announced nearly 40,000 redundancies since nationalisation, is under no illusions that it would face bitter opposition from the British steel unions if it tried to build a giant steelworks on the Continent only.

The unions have already warned BSC that they would not stand by and watch the Corporation take jobs to the Continent.

BSC has stated, in fact, that it would prefer to build a plant of up to 15m. tons in Britain, but it is generally expected that the Government, when it announces the results of the second stage of its review of the British steel industry, will decide that the £1,500m. involved would be too high a cost for Britain to bear alone.

It might, however, be possible for BSC to do a deal with one or more of the Continental producers. This could take the form of European investment in a British plant, with British finance provided for a further works on the Continent when the market was big enough to take its production, or vice-versa.

In this way, trade union objec-

tions about lost job opportunities could be overcome, and high capital costs could be shared.

Apart from discussions on these lines, BSC is also understood to be having direct talks with the possibility of developing a steelworks in Spain, in co-operation with a Spanish producer and, possibly, another European steelmaker.

Although the replacement of obsolete plant based on the open hearth steelmaking process with basic oxygen converters is needed in all the European steelworks, it can only be carried out slowly. This is because of the high costs involved and the social problems which would be created

by rapid closure of existing facilities.

In the Lords, Lord Melchett also referred to the need for the BSC "to co-operate with Europe to secure our vital raw materials and possibly partly processed materials, many of the richest reserves now being located at great distances in the Southern Hemisphere."

Here, the plan is understood to be for the development of iron pellet production plants in Western Australia by two or more European producers. There could also be joint coking coal mining ventures and co-operative shipping arrangements.

Melchett in Lords Page 14

## Tribunal on V &amp; G comes to an end

By John Hunt

THE marathon tribunal of inquiry into the collapse of Vehicle and General Insurance Co. ended yesterday after sitting for 56 days and hearing 42 witnesses.

Since the inquiry opened on July 5 about 3m. words of evidence have been given while the documents weighed more than a ton. Considerable expense has been involved and 500,000 pages of photocopies were supplied by the Treasury solicitor alone.

The tribunal's first task was to investigate the much publicised allegation of a leakage of information from the Department of Trade and Industry concerning the company. But most of its time has been taken in examining how effectively the DTI carried out its scrutiny of V & G accounts under the Insurance Companies Acts and the relevant section of the Companies Act of 1967.

The tribunal was the sixth appointed under the Tribunals of Inquiry (Evidence) Act, 1921, in past years. There was no indication yesterday of how long it would take Mr. Justice James, the chairman, and his two colleagues on the tribunal, to prepare their report.

In his concluding speech Mr. John Arnold, QC, counsel for the tribunal said that if the truths in the 1970 and 1969 V & G accounts had been present in earlier accounts, then a failure by the DTI to take action would have been a negligent failure.

Report Page 12

## More than 20 unions may defy TUC

BY JOHN ELLIOTT, LABOUR EDITOR

THE TUC's policy of non-registration under the Industrial Relations Act suffered a new blow yesterday from the agricultural workers within hours of Mr. Vic Feather, its general secretary, claiming that few unions would defy the policy.

Mr. Feather was addressing the Financial Times industrial relations conference in London and, referring to the non-registration issue, said: "There has been an overwhelming response by unions to our lead. The exceptions will prove very exceptional indeed."

In fact, more than 20 unions are now believed to have decided to defy the TUC and remain registered, and the Electrical and Plumbing Trades Union may join the list soon.

The agricultural workers' decision was taken yesterday by the national executive of the National Union of Agricultural Workers. It confirmed a provisional policy drawn up by the union before the annual Trades Union Congress strengthened its line against the Act, and "instructed" unions not to register.

Mr. Reg Bottin, the union's general secretary, made it clear last night that he was completely opposed to the whole of the legislation. "But he went on to state that the union did not feel able to jeopardise its finances by laying itself open to

the unlimited damages which an unregistered union could face over unconstitutional strikes."

Mr. Feather's remarks came at the start of the second day of the conference and included a vehement denunciation of the Act as a political measure with which unions could not co-operate.

Later in the day, however, Mr. Len Neal, who formally takes over as chairman of the Commission on Industrial Relations next Monday, appealed to the unions to reconsider their non-co-operation policy now that the legislation was enacted. He said the long "acrimonious" debate over the various methods of reforming labour relations, which had revealed the protagonists, on both sides, in some of their worst forms and prejudices, should now end.

Mr. Neal, who was making his first major speech on the role of the CIR, now faces the difficult task of heading an organisation which the unions are boycotting. He described the CIR's twin tasks of promoting voluntary reforms and carrying out investigations under the legislation as acting "as coach as well as referee in applying the rules of the game."

But he had little time for the remark made earlier by Mr. Feather that the unions believed in "constructive progress on the basis of non-co-operation with the Act."

Mr. Feather assured the delegates that he had said "constructive" and not "obstructive." But Mr. Neal's reaction was that anyone who could understand what Mr. Feather meant would qualify, "for membership of some 15th-century theological synod."

Conference Report Page 32

## Lex pays £4.6m. for Carlton Tower

BY ARTHUR SANDLES

LEX Service Group is paying £4.6m. for Carlton Tower Limited, which owns the 320-room Sonesta Tower Hotel in London's Knightsbridge. It has also bought a 200-room hotel in Baltimore, Maryland, for £1.1m.

The Sonesta will become the Carlton Tower again "immediately." This means over the next five or six weeks after an interregnum of about a year during which it has been the Sonesta. There will be no change in the staff or style of this luxury operation (the cheapest twin room costs £14.50 a night plus 15 per cent.).

The purchase, which only

awaits Bank of England approval, comes from the Sonesta International Hotel Corporation, which until recently was the Hotel Corporation of America.

Sonesta International has had serious cash problems over the past two years. While its London hotel made money other operations have lost heavily and drastic action has been needed.

Sir Charles Forte was among those negotiating for the Sonesta Tower.

But it was an American company with whom Lex found itself fighting in the final stages of negotiation. A Lex executive flew to the U.S. last week-end to clinch the deal and success was largely due to the fact that the British group offered cash.

## Flexing muscles

Lexis now flexing its hotel muscles. Construction of a 725-bedroom hotel at Heathrow Airport, London, should be finished in 1973. A 10-year management agreement has been signed with Hyatt International for it to operate the hotel. Lex can take over management in five years time if it pays £100,000.

In another agreement a long-term management contract has been signed between Lex and Hilton International (TWA) for Hilton to operate the hotel now being built at Stratford-upon-Avon.

Contracts are about to be exchanged for Lex Hotels to build and operate under its own management a four-star hotel at Gatwick Airport on land leased from the British Airports Authority for a 50-year term. Initially that hotel will have 145 rooms, but it has been planned to be extended to 500 rooms.

Announcing the acquisitions last night, Mr. Trevor Chinn, managing director of Lex, said: "We took our first moves into the hotel business 16 months ago as part of our planned programme of diversification."

Now, says Mr. Chinn, Lex is looking for more overseas sites, the purchase of which will be financed locally. He wants one more hotel in London and others in European and American cities.

The Carlton Tower in London will be the "flagship" for the new Lex Hotel Group.

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More ye go

## Weather

## U.K. TO-DAY

A trough of low pressure moving E. over the British Isles decreasing speed. N. Ireland will have sunny intervals, isolated showers. Scotland, Wales and most of England will rather cloudy with some rain places, though brighter west will later spread to most N. W. districts. S.E. England will probably remain dry with sun spells. Temperatures will near, or rather above norm. London, S.E. & E. Anglia. Some sunning at first, but coming cloudy. Wind S.W. or moderate. Max. 14C (57F). E. Midlands, Cent. S. and E. England, Channel Is. Bright intervals at first, becoming cloudy with rain places. Wind S. veering S. Max. 13C (55F).

W. Midlands, Cent. N. and N.E. England. Becoming cloudy with occasional rain. Max. 13C (55F). S.W. England, Wales, N.W. England, Lakes, L. of E. Scotland, Gl. & W. Argy. Cloudy at first with outbreaks of rain. Sunny intervals, scattered showers later. Max. 13C (55F).

Borders, E. Scotland, Edinburgh, Cent. Highlands, Dundee, Caithness. Rather cloudy with rain times. Brighter or clearer intervals later. Max. 11C (52F).

Rest of Scotland. Cloudy with rain at the Wind S. to S.W. strong to gale. Max. 11C (52F).

N. Ireland. Showers and sunny intervals. Wind W. to S.W., fresh or strong. Max. 11C (52F).

Outlook. Mostly dry, but at times in N. Lighting-up. London, 18.3; Glasgow, 18.15; Belfast, 18.25.

## BUSINESS CENTRES

	Y-day	Mid-day	Y-day	Mid-day	
Amsterdam	S	10	Manchester	S	10
Brabain	S	10	Malbourne	S	10
Belfast	S	10	Milton	S	10
Birmingham	S	11	Moorfield	S	10
Bolton	S	10	Munich	S	10
Bristol	S	11	Newcastle	S	10
Cardiff	S	10	New York	S	10
Edinburgh	S	10	Oslo	S	10
Glasgow	S	10	Paris	S	10
London	S	10	Reykjavik	S	10
Madrid	S	10	Rio de Janeiro	S	10
Milan	S	10	Stockholm	S	10
Nottingham	S	10	Switzerland	S	10
Sheffield	S	10	Sydney	S	10
Stockholm	S	10	Thirane	S	10
Vienna	S	10	Tokyo	S	10
Zurich	S	10	Vienna	S	10
	S	10	Warsaw	S	10
	S	10	Zurich	S	10

## HOLIDAY RESORTS

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	Y-day		Y-day	
	Mid-day	Mid-day	Mid-day	
Alacort	S 22	72	Jersey	C 13
Alghero	S 24	76	Las Palmas	C 13
Alghero	S 24	76	Malaga	C 13
Alghero	C 14	77	Marbella	C 13
Barcelona	S 20	68	Malaga	C 13
Barcelona	S 20	68	Marbella	C 13
Blackpool	S 23	54	Nairobi	S 23
Boordeau	C 12	54	Naples	C 12
Boordeau	C 12	54	Naples	C 12
Boordeau	C 12	54	Naples	C 12
Gape Tau	S 16	65	Nice	C 17
Corfu	S 16	61	Nicosia	C 17
Corfu	S 16	61	Nicosia	C 17
Corfu	S 16	61	Nicosia	C 17
Flourence	S 14	57	Rhodes	C 21
Funchal	S 22	78	Salzburg	C 14
Funchal	S 22	78	Salzburg	C 14
Garmersy	S 23	54	Tandier	C 14
Garmersy	S 23	54	Tandier	C 14
Innsbruck	S 19	48	Tenerife	C 13
Innsbruck	S 19	48	Tenerife	C 13
1. of Man	C 11	52	Valencia	C 12
Istanbul	R 7	43	Venice	C 12
S-Sunny	F-Pair	C-Cloudy	R-Rain	

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